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## Contents

|                                                         |     |
|---------------------------------------------------------|-----|
| EDITORIAL PARAGRAPHS                                    | 421 |
| EDITORIALS:                                             |     |
| The Outlook for a League Success                        | 424 |
| Can America Keep "Unentangled"?                         | 425 |
| Hitler's Olympic Games                                  | 426 |
| "Orbis Pictus"                                          | 426 |
| ISSUES AND MEN. LANSING SELF-REVEALED. By Oswald        | 427 |
| Garrison Villard                                        | 427 |
| CARTOON. By Fritz                                       | 428 |
| AFTER ETHIOPIA—ENGLAND? By Albert Viton                 | 429 |
| NEW YORK'S POWER YARDSTICK. By Will Maslow and          |     |
| Michael White                                           | 430 |
| A PRACTICAL HOUSING PROGRAM. By Albert Mayer            | 432 |
| SAVING THE CONSTITUTION. By Raymond Gram Swing          | 435 |
| LEO GALLAGHER. By Carey McWilliams                      | 437 |
| CORRESPONDENCE                                          | 438 |
| CONTRIBUTORS TO THIS ISSUE                              | 439 |
| LABOR AND INDUSTRY:                                     |     |
| Preface to the A. F. of L. Convention. By A. J. Muste   | 440 |
| One Speaks of Rope. By Heywood Brown                    | 441 |
| The Labor Index                                         | 443 |
| BOOKS, FILMS, DRAMA:                                    |     |
| Contribution to Martyrology. By H. L. Mencken           | 444 |
| The Wicked State. By Raymond Gram Swing                 | 444 |
| Late Flowering. By Philip Blair Rice                    | 445 |
| Labor and the Government. By William M. Leiserson       | 445 |
| Painter into Novelist. By Helen Neville                 | 446 |
| Films: Novel into Movie. By Robert Giroux               | 447 |
| Drama: A Real Shrew Really Tamed. By Joseph Wood Krutch | 448 |

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THREE WEEKS' NOTICE AND THE OLD ADDRESS AS WELL AS THE NEW ARE REQUIRED FOR CHANGE OF SUBSCRIBER'S ADDRESS.

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THE DISCOVERY of the existence of war in Africa fell to President Roosevelt, despite the fact that he was fishing in Mexican waters at the time. It had not passed unnoticed elsewhere, but no official account was taken of it. At Geneva time was needed to summon the council and draft a report. Paris and London would do nothing until the League had acted. The President was in something of a quandary, one can imagine, as to whether to discover the war or not. If he did, he was giving a lead to the League, as if to imply that it, too, had better discover the war and do something about it; and then it would look as though the United States might cooperate. If he waited, and the discovery was left where it belonged, in Geneva, then the United States would be trailing the League, as though unable to use its own faculties. The President undoubtedly wished to take the course which demonstrated the utmost independence of the United States, and decided to launch his proclamation on Saturday, October 5, announcing American neutrality and clapping on the arms embargo. The effect on Geneva was electric, the secretariat in consequence coming to work on Sunday in a far more cordial frame of mind toward Washington than usual. In promptly recog-

nizing that war is war no matter what the aggressor chooses to call it, the President has established a useful precedent. Under modern conditions the declaration of war has become archaic, and wars are called police action, or as Italy now pretends, necessary measures of defense. Japan made full use of false labels in Manchuria and profited thereby. The possibility of profit for Italy has now been nullified.

THE NEWSPAPERS have blown up the military news from Ethiopia for much more than it is worth, and have given their readers a badly inflated picture. So far there have been no pitched battles of any magnitude, nor indeed really large numbers of troops engaged. The fighting force of the Italians in northern Ethiopia is probably not more than 70,000, about half being native troops. The advance to Adowa encountered no massed resistance, and most of the fighting has been of a guerrilla nature. There never was any question about Italy's ability to reach Adowa in a few days after hostilities commenced, and the "victory" has literally no importance beyond its effect on Mussolini's home patriots. Why American readers should be subjected to news inflation is hard to understand. But Italian inspiration is not alone to blame. The aerial bombing of Adowa was announced from Ethiopian sources as having caused from 1,700 to 2,000 deaths, and sent a shudder of horror through the world, whereas Reuter from Addis Ababa subsequently gave the official estimate of the dead as sixty-seven. The Ethiopian conflict is only a colonial war, on a somewhat larger scale than earlier colonial expeditions. It should be so reported, with the focus of interest not deflected from Europe, where far greater values are at stake. But the next weeks will probably see a sobering of the military news, since the Italian advance in the north will now become painfully slow, as the crawl to Addis Ababa sets in. There will be guerrilla fighting aplenty, but the central task for the Italian army is to protect its engineers in building roads and bridges.

AMERICA is again the land of opportunity—at least for the Van Sweringens. The story of how these newsboys from Cleveland gained control of a three-billion-dollar railroad empire without a penny of their own, and are now getting it back in the same way, shows that even if every American boy cannot become President he may at least aspire to lead bank presidents by the nose. The Van Sweringens started out in 1916 by buying the Nickel Plate for \$8,500,000, paying \$2,000,000 in cash. They raised the cash by borrowing \$2,100,000 from the late Guardian Savings and Trust Company of Cleveland, largely on the security of the purchase agreement itself. Within a short time the Van Sweringens had erected a \$12,500,000 holding company to hold their \$2,000,000 investment. The public bought \$1,500,000 of the preferred stock, and the brothers borrowed another \$500,000 to buy the rest. With the \$2,000,000 thus acquired the bank loan was paid off, and the Van Sweringens conferred \$10,000,000 in common stock on themselves for services rendered. They continued to pull rabbits out of other people's hats, acquiring control of the Chesapeake and Ohio, the Missouri Pacific, the Erie, the Pere Marquette,

and many lesser roads, making in all the greatest railroad empire the country had ever seen. A number of federal statutes were violated in the process, in the spirit if not the letter, but there were no hard feelings. When the RFC opened its soup kitchen for indigent and ailing railroads, bankers, and other unfortunates, the Van Sweringens were the first on the doorstep. So far these rugged individualists, through their various roads, have obtained \$14,000,000 from the Railroad Credit Corporation, \$37,000,000 from the Public Works Administration, and \$76,000,000 from the Reconstruction Finance Corporation, some \$127,100,000 in all.

**N**OW THE MID-AMERICA CORPORATION has sprung up to bail their securities out of hock for \$3,000,000. The circumstances of the sale are curious. Colonel Leonard P. Ayres of the Cleveland Trust Company certainly added nothing to his reputation by appearing as the agent for the Van Sweringens, whose loans earned a deserved notoriety in the ruin of two major Cleveland banks. No one bid against the Van Sweringens at the sale, and they obtained the Alleghany Corporation stock which controls their railroad empire for only \$1,000 more than the upset price. A banking syndicate headed by J. P. Morgan and Company, financial godfathers of the Van Sweringens, was holding these and other securities for the payment of a \$48,000,000 loan. Part of the syndicate's loss may be written off by the participants at the expense of the federal government, under the capital-gains-and-losses provision of the income-tax law. But the loss will still be heavy. The price paid was so small that the sale hardly seems worth while, especially since business recovery and fancy reorganization methods might yet have restored some value to the securities which now underlie the Alleghany Corporation. Among these securities are common and preferred stock of the Missouri Pacific Railroad, now in receivership. It will be recalled that when Charles Beard appeared before the Senate Committee on Interstate Commerce last spring in behalf of Missouri Pacific bondholders, he brought out the fact that J. P. Morgan and Company sat on both sides of the table in the reorganization. It was represented on the official bondholders' "protective" committee, and it held, through the Van Sweringen loan, control of the stock equity. The Morgans have now unloaded the stock. Their dual role would have been a target in the railroad investigation launched by a resolution of Senator Wheeler's at the last session of Congress.

**T**HE ANNUAL REPORT of the American Federation of Labor to the Atlantic City convention made a number of recommendations whose tone have become sadly familiar in the American labor movement. The report urged support of the Constitution without amendment, if it were possible to bring about economic recovery thereby. It took Secretary Perkins to task for her sponsorship of the Kerr immigration bill, because the bill sought to "liberalize the deportation section of existing immigration laws"; it recalled the period of the NRA as the heyday of American trade unionism; it offered the thirty-hour week as the cure-all for the depression without indicating where the money would come from to pay equivalent wages for shorter hours; and, most familiar of all, it recommended that all Communists or persons suspected of being in sympathy with Communists be expelled from the ranks of the federation. An

additional report was submitted by three vice-presidents, among them Matthew Woll, announcing that Thomas E. Dewey, special prosecutor investigating racketeering in New York City, would prosecute criminals and racketeers discovered to be in control of labor unions, but that the investigation did not propose "in any way to embarrass the cause of organized labor." If the A. F. of L. report, instead of being quite so violent about Communists, had concerned itself with reports of depressed wages and lengthened hours after the abandonment of the NRA, and of the return of child labor in many industries from which the NRA abolished it; if it had admitted the charges of racketeering in its own ranks and had voiced a strong determination to stop it, it would have made more realistic reading—and would have heartened thousands of sincere proponents of organized labor in general and of the A. F. of L. in particular.

**I**T IS WITH REGRET that we note that Dr. Kirtley F. Mather, professor of geology at Harvard University, and other liberals in that institution have abandoned their intention of fighting the teachers' loyalty oath recently enacted by the Massachusetts legislature. While it would be manifestly unfair to single out Harvard for censure when university after university has fallen into line without a murmur, Professor Mather and his colleagues had raised the hope that a protest might be staged which would check this particular exhibition of infantilism by our state legislatures. Most university faculties have signed the oath, not because they approved of it in principle, but because, believing themselves above the battle for academic freedom, they thought the oath too ridiculous to be worth resisting. Doubtless they are right so far as their own jobs are concerned. No one is likely to come snooping in the university classrooms to make sure that everything that is taught has the approval of the American Legion. But public-school teachers in many small towns face a different situation. The loyalty oath may easily be used as a pretext for ousting instructors whose views are suspected of being unorthodox. Since the teachers who have the most to fear from red-baiting organizations are in no position to combat the oath, the responsibility obviously falls on the few whose positions are most secure.

**T**O MAKE A RABBIT STEW, so the old saying runs, you must first catch your rabbit. Dr. Irving N. Rattner, head of the American Legion Post of the College of the City of New York, whose program is to extirpate communism from American schools, urges as the first step "to ascertain the number of Communists and identify them." When the Communists are identified, Dr. Rattner refused to say what should be done to them, but he indicated that the American Legion would know the method of procedure. Communists, it seems, are of three kinds—"born agitators," "unstable personalities," and "highly intellectual," the last group being by far the worst. Dr. Rattner suggests that clubs be formed, compulsory for freshman, "named after famous generals, statesmen, and literary men" to act as a sort of Big Brother movement against communism. These clubs should lay special stress on athletics, "for we find that athletes are always good Americans." But instead of direct attacks on communism, Dr. Rattner prefers a program described as "Awake America," on the theory that our students are at heart good Americans whose Americanism merely needs development.

When asked for his definition of a good American, Dr. Rattner replied, "Anyone but a Communist." Since all this balderdash marks a high point in academic silliness, one might confidently expect President Frederick B. Robinson of City College to tell Dr. Rattner politely to exercise his energies in other fields. But Dr. Robinson has reached some pretty high points of silliness himself. It is altogether likely that he may think Dr. Rattner's points well taken, in which case the matter is serious, not only for C. C. N. Y. but for any other college where prejudice may displace reason and passion destroy common sense.

**T**HE IMMINENCE of a new Japanese drive in North China is suggested by statements recently issued by Major General Tada, commander of the Japanese forces in China, and General Isogai, military attaché at the Japanese Embassy, Peiping. Both officers referred to the unsatisfactory situation now prevailing in North China as furnishing fertile ground for communism, and indicated that the security of Manchoukuo and the welfare of the North China population could only be assured by the establishment of an "independent" buffer state comprising the five northernmost provinces of China. Not satisfied with having sealed the fate of the 80,000,000 Chinese living north of the Yellow River, General Isogai denounced the present Nanking government as "administered in the interest of a few persons" and spoke touchingly of the need of a government in the interest of the Chinese as a whole. He added, however, that "this does not mean that we intend to use military force against Chiang Kai-shek in the immediate future." This evidence of renewed Japanese activity gives credibility to the reports in the Japanese press at Shanghai of the pending sale of the British-owned Kailan mines to Japan. In addition to being among the largest coal-producing properties in the world, these mines are of special interest to the American public because of the unsavory activities of ex-President Hoover in wresting them from Chinese control some thirty-five years ago. Their transfer to Japan would mark the first stage in the closing of the Open Door in China proper.

**F**RANK E. GANNETT, owner of nineteen newspapers published in several states, has done a handsome and extremely interesting thing. He has created the Frank E. Gannett Newspaper Foundation, Inc., to which will pass on his death the nineteen newspapers he owns, to the end that after dividends are paid on the preferred stock, which is now held largely by the employees and executives of the newspapers, the profits shall be used only for "public charitable, educational, and general philanthropic purposes, the improvement, development, care, and general furtherance of the health, welfare, and well-being of the communities" in which the Gannett newspapers are or will be published. At least 75 per cent of the net income must, under the trust deed, be so expended annually. The foundation will be conducted by a self-perpetuating board of eleven directors, who are to serve for life or until resignation; and the principle laid down by Mr. Gannett, to which the board will have to adhere, is that it shall primarily publish "good and useful newspapers of the widest possible service to their communities rather than newspapers which shall make the largest possible profits." Few people are aware that the *Jewish Daily Forward* is run on precisely this principle and

has for years turned its profits over to the cause and philanthropies in which the "Forward Associates" are interested. We have long hoped that some English-language daily would be established on this basis.

**W**HAT IS A COMPANY UNION? Is it a free association of employees through which, in consultation with management, they may determine their own working conditions? Or is it a paternalistic club graciously allowed them by the employer as a substitute for genuine trade unionism? These questions are effectively answered in a report on company unions just completed by the Bureau of Labor Statistics of the Department of Labor. Five hundred and ninety-three company unions were studied, with a membership of 530,388 employees. Five criteria were set up by which to measure the extent of employer domination of the company union. These were: whether the company union paid dues, had regular membership meetings, made written agreements with employers, maintained contacts with other workers' organizations, and retained the right to demand arbitration of differences, thus limiting the absolute veto power of management. It will be seen that these are basic minima under which a union must operate if it is to function effectively. It is highly significant that only 10 of almost 600 company unions studied enjoyed all five of the necessary attributes of independence. It is also significant that 76 of the plants studied, or 12.8 per cent, were permitted none of these union privileges. A similar study conducted by the Twentieth Century Fund last year resulted in the same sort of findings, and the Fund's conclusion on the question of company unions is worth citing here. Company unions at their best operate effectively only as machinery for settling shop grievances; they are not trade unions, they do not perform the functions of trade unions, and they should not be accepted by workers as a medium for collective bargaining with employers.

**O**UR OWN INQUIRING REPORTER has been doing a little research since the anti-noise campaign started in New York. Himself a sound sleeper, he with difficulty stayed awake the other night to interview various Manhattanites in search of rest. In the East Twenties he found a woman, lately moved to the city from a suburb, who had counted seventeen distinct varieties of night hubbub in the elegant apartment house to which she had been obliged to furnish copious references before being accepted as a tenant. These included nine varieties of insobriety, involving broken bottles, raucous huzzas, heavy objects dropped from ceilings, and the like; ashcans, milkmen, cheery visitors, the elevated railroad, and amorous cats were also represented. So far none of these noise-makers seems to have been apprised of the new ordinance. Our reporter also talked with a man who had been enabled to keep a perfect schedule of Lexington Avenue trolley cars because every time one passed his house it woke him up with a great clanging and screeching of apparatus, and being a methodical soul he turned on his light and noted the time. More is evidently needed than the silencing of motor horns, the greasing of trucks, and rubber horseshoes to make New York a peaceful spot after midnight. What New Yorkers need to learn is that eleven o'clock is a good time for everybody in the city to go to bed.

# The Outlook for a League Success

EUROPE now is treading gingerly upon the floor of a long-dreaded experience. A great power has committed an aggression, and the League of Nations must perform its obligations to mete out punishment under the Covenant. It will do this, barring unforeseen incidents, with forbearance bordering upon timidity. The principle of gradualism, officially adopted for just such a contingency in 1921, has been seized upon with relief. It makes it possible for the League states to feel their way, and to test out first of all the possibility of applying economic sanctions effectively without their leading to war. It is obvious that, more than anything, the League members shrink from taking steps which would transfer the conflict from Africa to their own soil and waters. The strongest League state at the moment is Great Britain. Its imperial interests are involved in the Ethiopian war. But Britain will do everything in its power to act through the League, as a League servant, dedicated to League principles. This is obviously good sense from the British point of view. The more associates it has in safeguarding its interests, the better protected those interests will be. France, the nation whose fidelity to the League has been most consistent and pertinacious until this year, no longer is bell-wether at Geneva. Within the League France and Britain have in a sense exchanged places. One might have expected France to treat Britain's conversion to genuine League principles as an occasion for rejoicing, since in theory it makes possible the system of collective security which alone can protect France from Hitler's Germany. But France is not convinced. The French government, no doubt, has private assurances that Britain will be as consistently opposed to German aggression in Eastern or Southeastern Europe as it is to Mussolini's African raid. Laval, too, is formally authorized to take part in sanctions, with all that they imply. The French public, however, refuses to be logical. It does not feel that Britain has completed the edifice of security. It is against sanctions if they can lead to war with Italy about anything. While public opinion in Great Britain has made it possible for the Foreign Office to take full advantage of the League in furthering British interests, in France public opinion is driving the government out of its habitual attitude.

France is not the only country for which sanctions represent a grave problem. Switzerland, the home of the League, will find it difficult to apply economic pressure on Italy. It has its own Italian district bordering Italian soil, where sympathies will be too much aroused to make punitive measures advisable. Austria is still less likely to agree to cooperate in any embargos or self-denying trading ordinances. The Austrian government has lived for many months under Italian protection, and the Heimwehr has been financially subsidized by Rome. Hungary runs its entire foreign policy alternately under the guidance of Italy and Germany. Thus the hope of isolating Italy economically might be illusory. It can import foodstuffs through Austria, and if Germany so desires it will obtain any raw materials it can pay for from any quarter in the world, via the German ports and Austria. The open Austrian frontier

will be important chiefly for the use Germany makes of it.

So the policy of Germany now becomes of prime importance. Berlin, however, will not as yet have decided what to do. It will find itself pulled in opposite directions by two far-reaching considerations. If Mussolini is riding for a fall and his dictatorship is doomed, fascist dictatorships as such will be defeated, and the blow to the Nazis will be only less immediate. From this standpoint Hitler may well decide to give Mussolini all help within his power. A further long-view consideration also weighs in favor of this policy. This may be the appointed hour for the union of all the revisionists, and the formation of a bloc of the have-nots against the haves. Poland, Hungary, and Austria, with Italy and Germany behind them, would dominate South-eastern Europe, and make an end of French supremacy in the Little Entente. Czecho-Slovakia would have to withdraw from the French constellation, to play the independent role of buffer state. Yugoslavia might feel its destiny lay with the rising military states. Bulgaria would join. Hitler might well calculate that the British, however aroused over Africa, would be less bellicose over a Balkan issue, and certainly would not be eager to fight in Eastern Europe as an ally of Communist Russia. Until now an effective revisionist bloc has been a fantasy because of the antagonism of Germany and Italy over Austria. Now Mussolini, if he knows he has his back to the wall, may try to drag in all Europe, hoping to redeem his great gamble, and to accomplish this he may offer acceptable terms to Germany.

Hitler, however, has not been the chief plotter of the Nazi expansionists. He tolerated rather than directed the attempted Austrian coup last year. And his own policy in relation to Germany's immediate future has been to achieve Germany equality by treaty denunciation, while maintaining enough friendship with the British to prevent the strangling of Germany by an ensuing encirclement. He scored a heavy victory in that the denunciation of the Versailles treaty caused no more disturbance than it did, and he seemed to score again in the naval agreement of London. Now he may wish to pursue this course, though it looks less promising than it did. Hoare's speech marked the beginning of Anglo-French solidarity, and a Britain committed to France is far less of an allurements to Hitler than a Britain playing the old game of balancing power. If the British can persuade him that they look forward to bringing Germany back into the League as an equal, possibly with colonial concessions, he still may refuse to throw in his lot with Italy. But the next months in Europe will be fraught with hesitation and doubt. The economic pressure of the League will be moral rather than material for some time. Not until Italy begins to feel the lack of raw materials and money can League punishment begin to tell. But before that time is reached, the front now forming against Mussolini in Europe may break. It begins with the unexpected weakness of French public opinion; it probably will be further narrowed by the defection of Austria, Hungary, and Switzerland. Certainly not everything in the picture will hearten peace lovers to believe in the early success of the principle of collective security.

# Can America Remain "Unentangled"?

NEVER has President Roosevelt more directly expressed the will of the American people than when he declared at San Diego that the United States "shall and must remain . . . unentangled and free" of foreign wars. As a people we have little sympathy for the inhumanity of Italian fascism. We are shocked and indignant at Mussolini's brazen invasion of Ethiopia. But the experience of one war fought for what we believed to be the highest of idealistic principles has convinced us, rightly or wrongly, that the harm resulting from Il Duce's mad adventure will be slight compared with the havoc that would be wrought by another world conflict. Whatever may happen, we are determined that American youth shall not again be sacrificed to the greed of munitions makers and war profiteers.

The tragic chain of events of 1914 to 1917 has taught us that once a war has started no country can consider itself safe. We ask ourselves anxiously whether the same forces which drew us unwittingly into the World War are not again at work. Our lone safeguard is the neutrality act which was jammed through Congress in its closing hours. But this covers only a few of the articles likely to be used for war purposes; it does not prohibit loans or credits, though Italy is prevented by the Johnson act from floating loans in this country; and it contains nothing which would prevent American ships from passing into war zones.

It should be recognized, moreover, that a neutrality program based on the experience of the last war may prove more of a liability than an asset in the present crisis. Too much attention has been paid to the similarities between the situation today and that of 1914, and too little to the striking differences. The World War was a conflict between two sets of evenly matched European powers. Because of its size it created a demand for huge amounts of munitions and raw materials which the United States alone was in a position to supply. The present dispute is as yet a minor affair involving the smallest of the great powers and a semi-barbaric, backward state. As long as the conflict is confined to these two countries, American neutrality is unlikely to be seriously tested. Our shipments to Ethiopia are so negligible that they can scarcely be challenged by the Italian navy, while Haile Selassie is in no position to interfere with our trade with Italy. Nor is it possible for either country to purchase enough from the United States to create a vested interest such as we had in an Allied victory in 1917.

Barring the development of a general European war, the dangers which the United States faces at present are of a wholly different character. The most significant distinction between the world today and that of 1914 is to be found in the existence and activity of the League of Nations. For the first time in history an agency representing practically all the nations of the earth is prepared to impose sanctions on a sovereign state because it has resorted to war in defiance of its international commitments. It is true that none of the great powers is entirely disinterested in seeking to check Italian aggression, but the fact remains that the action taken at Geneva represents a deliberate effort to substitute law for anarchy in the international sphere. The is-

suues involved in this conflict obviously concern the United States as profoundly as any other country. The link between fascism and war no longer is a theoretical abstraction. Mussolini has carried into the field of international relations the same brazen disregard for principles and humanity that he has shown at home. The problem before the United States, then, cannot simply be one of keeping out of the present conflict. If by our supposed neutrality we are actually assisting and encouraging Italy in its defiance of law, it is time for us to take stock of the situation. We cannot disregard the effect of our policies on the one agency that has the power to challenge Il Duce's Machiavellian doctrines.

Nor is the danger as remote as we might wish it to be. The League is almost certain to declare an embargo on all war materials as one of the sanctions to be applied against Italy. It so happens, however, that none of the commodities which Italy is likely to require in its war against Ethiopia are included in the President's recent embargo proclamation. Italy manufactures its own munitions, together with most of its airplanes and naval craft. But in order to do this it must obtain practically its entire supply of raw materials—cotton, copper, petroleum, scrap iron and steel, and chemicals—from abroad. In the past year the United States has exported no firearms or direct war materials to Italy, but it has furnished that country with much that was plainly intended for war purposes. During the last eight months, for example, America has shipped nearly 2,000 small motor trucks to Italian Africa—as against less than a hundred such vehicles in other recent years. These have been accompanied by large shipments of American gasoline and oil, although there were no such shipments a year ago. Exports of scrap iron and steel to Italy in the first eight months of 1935 totaled 238,000 tons, the quantity each month exceeding the total for the whole of 1932. Large increases have also occurred in the sale of copper, scrap brass, cotton linters, and airplane parts. None of these supplies except airplane parts are affected by the present embargo.

Thus the question is not so much whether we shall choose to support the League as whether we shall subsidize Mussolini's defiance of the basic principles of international justice. To withhold aid from Il Duce would not require a fundamental change in American policy, but it would involve a far more vigorous neutrality program. The President has pointed the way by warning against transactions with belligerents. In addition, action should be taken to extend the definition of "implements of war" until it includes all the items covered by the League's sanctions. As a protection against evasion, Congress should also pass legislation empowering the President to restrict American exports to countries adjoining the aggressor to an amount not exceeding the average shipped during the preceding few years. And as a final step of cooperation with the League, it should forbid all imports from nations which engage in war in contravention of the Pact of Paris. Only when the American people come to recognize the responsibilities that are associated with America's financial and commercial position can there be any real hope of our keeping out of war.

## Hitler's Olympic Games

FOR a thousand years Olympic games were held in Greece as an expression of the ideal that the prowess of the body should be celebrated as well as that of the mind and spirit. The modern revival of the festival, begun in the late nineteenth century by Baron Pierre de Coubertin of France, had its first successful representation in the games in London in 1908. Since then the Olympic games have become an international occasion of the greatest moment in athletics, and the place of the United States, as the winner of the last four contests, is a highly significant one. This is worth remembering in the light of recent protests against American participation in the next contest, to take place in Berlin in 1936. By historic precedent the games must never be political in character. They are in no sense a government function, but a meeting of the amateur athletes of all nations, managed by international athletic committees. It was hardly to be expected that Adolf Hitler would maintain the non-political character of the approaching contest. Presuming as he does to regulate by government fiat every aspect of the life of the German people, it is not surprising that he should be pictured on an official calendar of the German Olympic Committee with the slogan: "I summon the youth of the world." But it is clear that if Herr Hitler is summoning the world's youth to the Olympics, the world's youth may be justified in declining.

The position of the Jews in the Reich needs no recounting. Since they are no longer officially German citizens—by government fiat—they will obviously have no place in the Olympic games in Berlin. Attempts of the German government to protest that the rules of the International Olympic Commission will be adhered to are not to be believed. And the German invitation to Helene Mayer, Jewish woman fencer, may be sufficiently evaluated as evidence of good faith when it is pointed out that Miss Mayer, at present teaching in San Francisco, denies having received any such invitation. German athletes who desire to train as Olympic contestants are required to be members of the Hitler Jugend or other official sport organizations; this pretty effectively rules out Catholics and a large group of Protestants, as well as Jews, since it is unlikely that members of these sects, whose own athletic associations have been broken up by the Nazi government, will voluntarily join the groups whose sponsors have destroyed their own. Edmund Baumgartner, a Jewish soccer player on a Polish team, was reported to have been beaten to death by a crowd of infuriated Nazis in a recent match in German Upper Silesia.

There is widespread public sentiment for withdrawal of the United States from the coming contest. Church groups, labor unions, 4,000 spectators at the recent Baer-Louis fight, have joined with thousands of other Americans in urging that American contestants refrain from taking part. Nearly 3,000 persons took the trouble to answer no when Heywood Broun asked for expressions of opinion on the question in a recent radio broadcast. To this rising tide of protest *The Nation* adds its voice. The United States should withdraw from the Olympics. No other single gesture could more forcibly bring home to the Nazis the disgust of other nations with their program of repression and brutality.

## "Orbis Pictus"

A STRIKING feature of recent American publishing has been the rapid increase in the number of picture books for adults. Perhaps the success of Mark Sullivan's "Our Times" and Frederick Allen's "Only Yesterday" suggested the potential popularity of books even more dependent upon photographs for telling a story, for since they were published there must have been at least a dozen volumes intended to present a pictorial record of the war, of New York City, of recent history, and so on.

One,\* just now published, presents the high lights of American history from the beginning to the present, and the shift, about the middle, from reproduced paintings or drawings to reproduced photographs suggests one significant fact. Recent history *looks* much less heroic than remoter history, and it is set down for all time in its most matter-of-fact aspects. Between a painting of George Washington bending over a state paper and a photograph of President Roosevelt conferring with Raymond Moley there is a difference even greater than any inherent in the events or persons themselves. The first makes a romantic legend almost inevitable; the second makes anything of the sort almost impossible. Some day it may be realized that no man who lived late enough to be informally photographed can ever become a hero in quite the old sense, for the simple reason that the idea of him can never be wholly detached from the creature of flesh and blood. No "Washington Crossing the Delaware" could be painted today because the news photographer's snap would make it palpably ridiculous.

No less significant than these records are picture books which abandon all ties with the news and present a series of detached but striking glimpses of the everyday world. The William Morrow Company has just issued one called "U. S. Camera 1935," and here again the psychological effect of such a collection may be great. As Bergson pointed out, we tend to see the world—even its shape and its color—in terms of current artistic representations of it. We also tend to readjust a visual image in a fashion to make it conform not only to familiar representations but also to our knowledge of it; so that, for example, we are not aware when we look up at a tall building that the image leans and tapers as it does in a photograph. Various modern painters have announced their intention of disintegrating the visual pattern of modern culture, but it is doubtful if any have found a means of reaching the general public so effective as that of the insurgent photographer. Not even the philistine can dismiss what the camera has seen as the mere invention of a disordered mind. Sometimes the effect is to confer on humble objects something of the very quality which photography has taken away from public events. Thus two eggs, isolated on a dark plane and illuminated in a certain way, take on a monumental quality lacking in most modern monuments. The lens is forcing the average man to look at things from points of view he has never taken and to see them in arrangements he has never made. What may ultimately be made of the new chaos remains to be seen, but it is sometimes beautiful as well as disturbing.

\* "The Story of America in Pictures." Arranged by Alan C. Collins. With an Introduction by Claude G. Bowers. Doubleday, Doran and Company.

# Issues and Men

## Lansing Self-Revealed

SECRETARY LANSING'S worst enemy could wish for nothing better than the publication of the "War Memoirs of Robert Lansing" (Bobbs-Merrill). It has done irretrievable injury to his character and his record as Secretary of State by revealing the duplicity diplomats always permit themselves and his avowed insincerity in pretending to be neutral on taking office. At the very beginning of this book there is printed the memorandum in which Lansing set forth his views on entering the Cabinet. It shows that he had not the slightest intention of holding the scales even and that he was completely infected by the idea that "the German government is utterly hostile to all nations with democratic institutions because those who compose it see in democracy a menace to absolutism and the defeat of the German ambition for world domination." If that was entirely untrue then, it is in part true now, and may become entirely so as a result of our participation in the war and of the Treaty of Versailles. What a pity that Lansing and Woodrow Wilson did not survive until this hour to see the results of their intervention—to see the world on the verge of another war, this time with a genuine absolutist, within seventeen years of the close of their war to end war!

Throughout this volume—which, curiously enough, bears the name of no editor or sponsor—we have the picture of Lansing pretending to hold the scales even, when he was really determined that the country should go into the war just as soon as the public was ready for it, that is, was sufficiently deluded by our officials and aroused by German atrocities and criminal stupidity. This was his objective, and he admits it with no sense of shame. He sets forth with complete cold-bloodedness that he deliberately stalled in taking the British to task for their conduct toward the United States, which, as he once said to me and as his Solicitor of the State Department, Cone Johnson, openly stated, "violated every canon of international law." He here confesses regarding this strife with the British: "I did all that I could to prolong the dispute by preparing, or having prepared, long and detailed replies, and introducing technical and controversial matters in the hope that before the interchange came to an end something would happen to . . . make the American people perceive that German absolutism was a menace to their liberty. . . . Everything was submerged in verbosity. It was done with deliberate purpose." What deceit and double-dealing! Nowhere is there the slightest evidence that he knew anything about the war aims of the Allies, or their conscious duplicity, or the secret treaties, or anything of the realities of the situation. Worse than that, there is not one line to show that he ever considered what the effect of war might be upon the United States and his fellow-citizens. Like Woodrow Wilson, he never was able to visualize what war might mean in death and suffering to a part of the youth of America and to their parents.

It is true that he once drafted a stiff note to Great Britain, in May, 1915, which he does not refer to in this

book; Mr. Wilson retained it on his desk and sent it out in an emasculated form in October. Lansing gave me this information at the time and authorized me to publish it. I scored a great beat in the *New York Evening Post*, and that evening Mr. Lansing denied to all the other Washington correspondents and Secretary Bryan that he was in any way responsible for my publication or knew anything about it. Similarly he used the *New York World* to publish the Albert papers, stolen—with complete morality, of course—by government agents, and the Associated Press to publish the infamous Zimmermann note, because it did not suit him to tell the truth about how it was obtained. I have always maintained that the President could have put us into the war against Great Britain by merely reciting the facts of its conduct. He could certainly have kept us out of war by using those facts to balance the injury done to us by the Germans. The only difference was that the Germans took American lives, and the English did not. Lansing admits this very clearly, for he says positively that we should have gone to war with Great Britain if it had not been for German stupidity.

Lansing did not, it now appears, believe in the American people. They were to be told as little as possible and then only what their rulers wished. They were to be "educated" to believe what he wished them to believe so that we should go to war with Germany. If anybody tried to educate them the other way, that was bad propaganda. He was horrified by the unethical acts of the Germans, and unmoved by the starvation of the German people by the Allied blockade. He really believed that there was such a thing as "civilized warfare," and that the British were carrying on such a war.

What makes me feel especially bad about it is that when Bryan resigned, I, among others, was asked by the President to suggest his successor. Since the President would not consider my first choice, I, who was trying my best to keep the United States out of the war, suggested, God help me now, Robert Lansing. There is an excuse, however; to me he represented his attitude in such a way that I had no reason to believe that he did not sincerely desire to avoid war. The action of the Congress in insisting upon neutrality at the present time shows that we have learned a lot, and that some Americans in official life are determined not to have the wool pulled over their eyes again. In this connection I must add that in a letter of September 6, 1915, not published in this book, Secretary Lansing argued that we should go to war in order to preserve prosperity and get back the moneys loaned abroad! It was the exact viewpoint of the firm of Morgan. There were American traitors in 1915!

*Howells Garrison Villard*



*"I just died for civilization!"*

*"Fine, buddy, I made the world safe for democracy!"*

# After Ethiopia—England?

By ALBERT VITON

*Florence, September 25*

**W**ELL-INFORMED Italians have no illusions about the economic value of Ethiopia. They realize that had Ethiopia been as rich as sensationalists would have us believe, England would not have abandoned the country in 1868, nor would the French company, Bayard Brothers of Roubaix, have given it up after sinking millions in exploration. The cost of developing the country and of transporting the raw materials which might be found there would be disproportionate to their value on the world market.

As a field for colonization Ethiopia would not be productive either. Italian officials, talking off the record, admit that Italy can hope to settle there in the next twenty-five years not more than a million men, and even these would mean a tremendous expense in transportation—not only of the men themselves but of their wives and families and equipment. Eritrea with its 4,188 registered Italian residents and Italian Somaliland with 1,631 prove that even a million men in Ethiopia is likely to remain a pious hope.

What, then, is Mussolini's object in his Ethiopian adventure? The answer is not economic but political. Mussolini has embarked on an extensive campaign which aims to convert the kingdom of Italy into an empire. Ethiopia is to be the beginning; the Mediterranean, an Italian lake, is to be the end. In the eyes of Italian military and diplomatic leaders Ethiopia is destined to be the Italian Gibraltar, the foundation of the new imperial Rome. But where will Italy expand? The answer to this question will sound fantastic outside of Italy, but it is a commonplace within the Duce's realm. Mussolini expects to plant the Italian imperial lion on the cadaver of the British Empire. Almost every Italian to the plainest man on the street is convinced that the British Empire is either collapsing or already dead and that it will take only a strong will on Italy's part to inherit its greatness.

When I first heard this conviction expressed by a military attaché, I refused to believe he was serious. But repeated contact with high Italian officials and with the common people has persuaded me of the universality of this view. "Italy will blossom on the grave of the British Empire," one very prominent Italian economist told me. This explains the Ethiopian war, Mussolini's determination to defy all diplomatic opposition, to spend billions on a country of dubious economic worth. Mussolini is to be taken at his word when he says that British opposition will not deter him. He is ready if necessary to fight England. He believes that the British Empire will collapse and that Italy can then occupy Egypt, Palestine, and most of British Africa, with perhaps India in the bargain. How widespread is the belief that England is already dead is illustrated by the bombastic and insulting banners which the Italian soldiers carried at their parade in Milan after the recent maneuvers. "England beware! We are not afraid of you," read one; "England, your fleet and army are old and weak; our fleet and submarines and airplanes are new and strong and our

army is young," read another; and there were dozens with similar inscriptions. A Roman lawyer told me in all seriousness that Italy could fight England because Marconi has invented a weapon which would sink at a moment's notice the whole British fleet!

Starting from this conviction, Mussolini's imperial plans are quite simple: he expects to use the Italian colonies as sources of man-power for the conquest of British Africa. Even for the Ethiopian war the Italians have already raised more than 100,000 colored soldiers, and once Ethiopia is conquered and pacified they expect to have a colonial army of half a million. Their next point of attack is to be Egypt, which they hope to wrest from England within the next twenty-five years. They are not too modest to boast that even today, should England go to the limit in opposing Italy, Egypt would come to them begging to be released from the British yoke. Once Egypt is in their hands, and this means the Suez Canal, the entrance to the Red Sea—they already control the exit from that sea—they would hold a stiletto at the heart of the British Empire, India, and under this threat England would not oppose their occupation of Arabia. With Arabia an Italian colony, Palestine, Iraq, and Persia in rapid succession would be easy prey. After that it would only be a matter of rounding out the empire in Africa—Sudan, Kenya, Tanganyika, Rhodesia. The more optimistic Italians talk of India, and some even of Australia. But this should be noticed: the whole empire is to be built without touching the interests of either Belgium or France.

This is Italy's dream and the permanent basis of its foreign policy. At the moment, aside from the inevitable war, Italy is carrying on a tremendous pacific campaign of cultural imperialism in all Mediterranean countries and is trying to foment trouble in Egypt. It is spending hundreds of millions of lire annually on this campaign. I have spoken with an Italian professor just returned from Egypt, where he is kept by the Italian government to give free lessons in the Italian language and to lecture in schools and clubs on Italian culture. There are dozens like him. A few days ago I met a group of Egyptian boys brought here at the expense of the Italian government; they all wore the *avanguardisti* uniform. The government subsidizes all kinds of minorities, prints pamphlets and books in the various Mediterranean languages which are distributed free of charge, sends professors to practically all the universities, and pays teachers, lecturers, and business men to spread Italian culture. The Italian government, for example, a few years ago provided all the funds necessary for the establishment of a rabbinical seminar in Rhodes which is to provide rabbis for the Near East, though it does not contribute a cent for the rabbinical seminar in Rome, which trains rabbis for Italian Jewish communities. When the last Rabbi of Rome died about a year ago, the Roman Jewish community invited Pirato, Grand Rabbi of Alexandria and originally from Italy, to come to Rome. He came. But after all the installation ceremonies were over, the Italian government vetoed the scheme. He can do Italy more good by remain-

ing in Alexandria and carrying on Italian propaganda there.

Economically the Italians are supreme in the Mediterranean even now. The greater part of the Italian merchant fleet is engaged not in transatlantic service but in cruising the Mediterranean. And they may be supreme even from a military point of view. Informed foreign military experts stationed in Rome are unanimous in the belief that British supremacy in this sea is a thing of the past. When a military attaché told me that in case of war no British ship would be able to enter the Mediterranean, I pointed out to him that Gibraltar and the Suez Canal are still impregnable and that Malta and Crete and Cyprus are still well fortified in British hands. He admitted this, of course, and added that in his opinion no Italian ship would be able to leave the Mediterranean, but nevertheless he insisted that Italy controls the Mediterranean and that British ships

would be at the mercy of Italian submarines and airplanes.

Once Mussolini's imperial dream is recognized as the basis of Italian maneuvers in Ethiopia, and the Italian belief in the imminent downfall of Britain is comprehended, it is easy to forecast how Italy will play its diplomatic game. Under no circumstances will Italy take hostile action against France or Yugoslavia. It must maintain friendly nations on two sides in case England decides to close the Straits of Gibraltar. Furthermore, it will try to remain on diplomatic terms with the Soviet Union, which might be a necessary source of raw materials. On the other hand, it will oppose with the same determination it showed last summer any attempt at independence on the part of Austria, which must remain a gateway for raw materials on the Continent. The Italian front is solid against Britain, and the key to this anti-British attitude is the belief that Britannia is doomed.

## New York's Power Yardstick

By WILL MASLOW and E. MICHAEL WHITE

THE plan for a municipal yardstick plant in New York City has run afoul of the law. When the Consolidated Gas Company saw public support mounting in favor of the yardstick plant proposed by the LaGuardia administration, it ran to the courts. Supreme Court Justice Dore ruled that the city could not build a power plant unless it pledged its credit. The referendum law, which forbade the use of the city's credit, was therefore held to be defective and enjoined. Even if Justice Dore is upheld by the higher courts, this setback promises to be only temporary. Special legislation can be obtained from the state legislature in January removing the obstacles in the present law.

The Consolidated Gas Company is jubilant now but no more so than it was in December, 1934. At that time it had just filed a revised rate schedule designed to increase electric rates by \$11,000,000. Shortly before, it had obtained a stay in a lower state court enjoining as confiscatory a temporary rate cut of 6 per cent ordered in 1933 by the Public Service Commission. It had not only rejected summarily the demand of the New York City administration for a cut in its light and power bill but had submitted bids which would have increased the city's own power bill for 1935 by \$700,000 over the 1934 cost.

The arrogance of the Consolidated was deflated when Commissioner Maurice P. Davidson of the Department of Water Supply, Gas, and Electricity, acting without precedent, rejected the Consolidated's bid, although the city then had no other source of supply. The federal bureaus in New York took similar action. At this critical point President Roosevelt promised Mayor LaGuardia federal assistance in the construction of a plant to serve the needs of the city and federal governments.

The Consolidated became contrite. On December 30 it announced publicly that it would seek to reduce rates by the introduction of the Washington plan, a device for progressively reducing rates by stabilization of profits. In April, 1935, the Consolidated voluntarily withdrew its proposal for a rate increase. In May it submitted new bids for

the city's light and power which reduced the ten-million-dollar bill of 1934 by \$1,726,000.

These last-minute acts of repentance came too late. On May 13, 1935, Mayor LaGuardia announced that his Committee of Engineers had prepared a plan for a municipal "yardstick" power plant designed to cut rates to all classes of consumers 40 per cent. This plan was to be submitted to the Board of Estimate on May 24, 1935. Late in the afternoon of May 23 the Consolidated rushed revised rate schedules to the Public Service Commission offering reductions of more than seven million dollars to all classes of consumers. This cut in rates was proposed by the Consolidated although on May 8 the Appellate Court had upheld the contention of the Consolidated by ruling confiscatory the emergency rate reduction of 1933 amounting to only slightly more than seven million dollars.

On September 2 the Mayor signed a local law submitting to the people on Election Day the question whether the city should be authorized to build a "yardstick" electric power plant.

The average rate to be charged by the municipal plant for all classes of consumers is 2.31 cents per kilowatt hour, which is 40 per cent less than the present average rate of the Consolidated companies. The plant is to be self-sustaining and to pay the city annually a sum equivalent to the taxes which would be paid under private ownership. It is to be administered by a self-governing authority and financed by loan or grant from the federal government, for which the credit of the city was not to be pledged.

The underlying cause of the movement for a public plant in New York City is the exorbitantly high rates exacted by the power monopoly. Although New York offers the largest, most concentrated, and wealthiest market in the world, its rates are among the highest in the country. The Federal Power Commission recently completed a survey of residential electric rates in the ninety-three cities of the country having a population of more than 100,000. New York's rank for forty kilowatt hours per month, the average

consumption in the city, is now sixty-third, with rates far above those for the next ten largest cities in the country.

The Public Service Commission has failed completely to obtain reasonable rate levels. In 1917 the residential consumer in New York City was paying 7 cents a kilowatt hour for current. In 1935, after eighteen years in which electrical science advanced tremendously and population multiplied, the poorest classes of consumers in New York are still paying an average of 7 cents per kilowatt hour. It has been the proud boast of the Consolidated that during this entire period it never was forced to accept a rate reduction imposed against its will. Even during the lean years of the depression, when other businesses were reducing their charges, the Consolidated was able to withstand the clamor for rate reductions, and earned profits which would have been handsome even in boom times. In the five-year period ending December, 1934, the five electrical subsidiaries of the Consolidated earned a total of \$219,000,000, of which they paid out \$194,000,000 in dividends. These five companies earned in that period an average of 11.4 per cent on their capital stock. In addition, they added \$7,000,000 to their already huge surplus of \$145,000,000.

According to the New York Power Authority, a state agency created to exploit the power resources of the St. Lawrence waterway, the New York Edison Company and the United Electric Light and Power Company, subsidiaries of the Consolidated, since 1910 have carried on their books watered capitalization of approximately \$74,000,000, on which profits have been earned. In addition, the electrical subsidiaries of the Consolidated have been allowed to earn more than 7 per cent upon their entire capitalization. These two abuses have taken from the consumers excess profits of \$173,000,000.

Reinvestment of the excess profits extracted from consumers has furnished two-thirds of the capital for the expansion of the system, upon which expanded capitalization the consumers are now required to pay excessive rates. The Power Authority reported the corrected fixed capital, plus working capital, of the five electric companies of the Consolidated system serving New York City as of 1934 as \$687,196,687, of which \$442,432,811 was contributed by consumers through excess profits, leaving a net capital of \$244,763,876 (with original water deducted). The Power Authority concluded that if the city had purchased the electrical system in 1907, when regulation by the Public Service Commission was initiated, at a price representing book value of fixed capital, less water, the gross revenue actually collected from consumers would have covered all costs and would have written off so much of the original investment that today the city would own the system practically debt free.

The movement for a municipal plant has produced a head-on conflict between the administration of the largest city in the country and the most powerful and most strongly entrenched utility. The Consolidated Gas Company is a unit in the United Corporation group, which is controlled by the house of Morgan. The United Corporation controls about 20 per cent of the electric-power industry in the United States, dominating the upstate Niagara-Hudson Power Corporation, the United Gas Improvement Company of Philadelphia, the Public Service Corporation of New

Jersey, the Columbia Gas and Electric Company, and the Commonwealth and Southern Corporation. The combined wealth of these corporations is more than five billion dollars. The Niagara-Hudson Power and the Consolidated Gas Company, linked by a common chairman of the board, Floyd L. Carlisle, control 90 per cent of the power market in New York State.

The directors of the Consolidated Gas Company include the leading generals in the army of finance capitalism. Among them have been Floyd Carlisle, with his finger in twenty-seven industrial pies; George Whitney, partner of J. P. Morgan; George F. Baker, chairman of the board of the First National Bank of New York City; Frederick W. Ecker, president of the Metropolitan Life Insurance Company; James H. Perkins, chairman of the board of the National City Bank; James H. Post, chairman of the board of the National Sugar Refining Company; and Joseph P. Day, with wide realty holdings. The board also has had members who are well connected politically, such as H. E. Machold, former New York State chairman of the Republican Party, and George V. McLaughlin, former Democratic police commissioner and state banking superintendent.

The Consolidated Gas Company has shrewdly selected as its counsel to oppose the power plant Joseph M. Proskauer, former presiding justice of the Appellate Division, who has many civic and philanthropic interests. The Consolidated has not skimped expenditures in the preliminary skirmishes. A full hour of radio time each Sunday evening has been purchased, not to broadcast obvious propaganda against the public plant, but merely to assure its listeners how cheap electric rates are under private operation. Full-page advertisements in the leading New York newspapers have immediately followed radio addresses of the proponents of the plant. Employees are being warned by the Employees' Representation Association, the Consolidated's company union, that a municipal power plant will mean the loss of jobs to many. The widows and orphans who have appeared so conveniently at senatorial hearings have been rushed to the scene by Judge Proskauer.

Yet the Consolidated sometimes forgets about the interests of these prize witnesses. It pays huge salaries to its executive officers. In 1934 George B. Cortelyou, then president, was voted a salary of \$91,667, and Floyd Carlisle, chairman of the board of the Consolidated and also of the New York Edison, one of \$45,000 for part-time services. The total executive salaries of the electrical subsidiaries of the Consolidated amounted in 1934 to \$845,213, an average of more than \$13,000 for each of the sixty-two executive officers. Seventeen of these officers received larger salaries than the Mayor of the City of New York. Moreover, the Consolidated supplements these handsome salaries with bonuses and honoraria. In 1929 the directors of the New York Edison Company voted an "honorarium" of \$250,000 to Nicholas S. Brady, two months after his promotion from president to chairman of the board of directors. In 1932 Matthew S. Sloan retired as president of the Brooklyn Edison Company, the New York Edison Company, and the United Electric Light and Power Company. As a parting gift these three companies paid him respectively \$70,000, \$60,000, and \$25,000. In 1929 the Consolidated Gas Company awarded \$60,000 to Mr. B. Whitely, retiring vice-president, for his "long, faithful, and valuable service." In

the same year the New York Edison voted gratuities amounting to \$145,000 to the widows of three former officers.

The widow and orphan stockholders of the Consolidated have frequently been overlooked by the directors in awarding construction contracts. One flagrantly dishonest practice has been the awarding of "cost-plus" contracts to favored contractors. As the 1930 Commission on Revision of the Public Service Law disclosed, the Consolidated Gas Company had frequently awarded such contracts to the engineering company of Thomas E. Murray while that gentleman was a vice-president and director of the New York Edison Company.

The Consolidated often boasts of its public-mindedness. This public-mindedness does not extend to its relations with its employees, though Frank W. Smith, president of the Consolidated Gas Company, has publicly attacked the Mayor's plan on the ground that "he proposes to throw thousands of our companies' 48,000 employees out of work." During the depression, while piling up huge surpluses and maintaining profits, the Consolidated cut wages and laid off employees by the hundreds. This billion-dollar company, through its counsel, William L. Ransom, submitted a code of fair competition to the NRA calling for a minimum wage as low as \$16 for skilled employees.

In every large city where private utilities have met public competition the result has been a progressive reduction in rates. The Cleveland Municipal Plant forced its private competitor to slash rates from 10 cents per kilowatt hour in 1911 to 4 cents in 1933. The Cleveland situation furnishes an interesting parallel to that of New York. The Cleveland Electric Illuminating Company in 1920 successfully blocked in the courts the local ordinance which would have reduced its charges to 5 cents per kilowatt hour, on the ground that such a rate was confiscatory. Immediately following this victory it voluntarily reduced its rate to 5 cents to meet a reduction by the public plant. Subsequent reductions were also met.

The Los Angeles plant, the largest municipal plant in the country, forced the "private" utility in the city to reduce rates from an average of 6.2 cents per kilowatt hour in 1916 to a present charge ranging from 1.76 cents to 4.8 cents. The tiny municipal plant of Westmount in Greater Montreal, although only one-fiftieth the size of its giant competitor, compelled the latter to reduce residential rates from the 12¾ cents charge in 1906 to the present rate of 3.1 cents. These reductions were made not only in the area served by the public plant but throughout Greater Montreal. Other municipalities have enjoyed similar experiences. In cities with competing public plants the rates of private companies are among the lowest in the country. The following table tells the story:

|                          | Bill for<br>40 KWH<br>Monthly | Average<br>Cost<br>Per KWH | Federal Power<br>Commission<br>Ranking * |
|--------------------------|-------------------------------|----------------------------|------------------------------------------|
| New York City . . .      | \$2.50 . .                    | 6.25¢ . .                  | 63d                                      |
| Cleveland, Ohio,         |                               |                            |                                          |
| Public Plant . . .       | 1.31 . .                      | 3.27¢ . .                  | 1st                                      |
| Private Plant . . .      | 1.60 . .                      | 4.00¢ . .                  | 5th                                      |
| Columbus, Ohio,          |                               |                            |                                          |
| Public Plant . . .       | 1.58 . .                      | 3.95¢ . .                  | 4th                                      |
| Private Plant . . .      | 1.95 . .                      | 4.87¢ . .                  | 14th                                     |
| Fort Wayne, Indiana,     |                               |                            |                                          |
| Public Plant . . .       | 2.00 . .                      | 5.00¢ . .                  | 21st                                     |
| Private Plant . . .      | 2.00 . .                      | 5.00¢ . .                  | 21st                                     |
| Los Angeles, California, |                               |                            |                                          |
| Public Plant . . .       | 1.81 . .                      | 4.5¢ . .                   | 11th                                     |
| Private Plant . . .      | 1.81 . .                      | 4.5¢ . .                   | 11th                                     |
| Seattle, Washington,     |                               |                            |                                          |
| Public Plant . . .       | 2.00 . .                      | 5.0¢ . .                   | 21st                                     |
| Private Plant . . .      | 2.20 . .                      | 5.5¢ . .                   | 43d                                      |

\* Lowest rank means lowest rates.

The collapse of regulation by public-service commissions has left the consumer with two alternatives—public ownership or public competition. Mayor LaGuardia has chosen the second. If the voters are given a chance to approve, the yardstick will become a birch rod.

## A Practical Housing Program

By ALBERT MAYER

TO formulate a practicable housing program it is first necessary to estimate the amount and kind of housing required. We may take as a minimum the amount of housing required to put us back into the relative position of 1930, when construction came to a standstill. On this basis an immediate proposal will be formulated. In addition, we can estimate the new construction needed to rehouse all the present dwellers in slums and blighted areas. At the start of the program we shall base costs on standards similar to those the PWA has been using for houses and community facilities for the low-income groups. As the program progresses and as effective pressure increases, we can hope to attain standards of room size and arrangement and of community equipment that will come somewhere near our technological potentialities of production.

Simultaneously with the slowing up of population growth, the number of families increases, for with fewer children the average age of the population, and hence the

number of marriages, increases—an especially marked phenomenon now on account of the high birth-rate twenty years ago. On the basis of census data and predictable long-time trends, it is expected that there will be some 7,600,000 additional families by 1945. To the housing required for these additional families must be added that needed to replace unfit dwellings which would normally have been replaced during the six-year building hiatus—say, 10 per cent of the total existing dwellings, or 3,200,000. Adding 1 per cent a year to allow for obsolescence from 1935 to 1945 gives a required total of about 14,000,000 dwellings in ten years. As this is about one-third of all existing dwellings, failure to cope with the question promptly and adequately may well lead to violent protest, of which the Harlem riots of a few months ago may be a specimen. If the not-too-ambitious project of rebuilding all the unfit slum and blighted dwellings within a period of twenty years were undertaken, the number of additional dwellings required in

the ten-year period would be increased by about 9,500,000.

Of the 14,000,000 dwellings required to meet the accumulating shortage alone, a fair estimate would be 8,000,000 for the low-income group, 3,000,000 for the middle, and 3,000,000 for the high-income group. These figures will be affected by the unsatisfactory handing-down process—the occupancy of a dwelling by one or more families in a lower-income group after the higher-income family has moved away. Since there are no reliable data on the point, we shall arbitrarily assume adjusted figures for new dwellings, providing 6,500,000 dwellings for the lowest group, 3,500,000 for the middle group, and 4,000,000 for the highest. An average cost for the different groups of \$3,500, \$4,500, and \$6,000 respectively results in a total minimum program of some sixty-five billion dollars for the ten years, divided into average yearly amounts of \$2,300,000,000 for the low group, \$1,600,000,000 for the middle group, and \$2,700,000,000 for the high group. This totals six and a half billion a year for the ten-year period. It compares with the maximum-construction years 1928 and 1929, when the estimated total construction was ten and a half billion a year, or about nine billion at the current prices, but it would mean a much larger percentage of residential building than in those years, a change in accord with the downward trend of commercial and industrial building.

Even if we decide to carry our program beyond the mere point of restoring 1930 conditions, if we plan to rebuild our slums, our productive capacity will be adequate. The Brookings Institution's report on "America's Capacity to Produce" shows that in the peak construction years we utilized only 80 per cent of "practicable capacity" of available plant and labor—not considering new technological improvements. We can thereby estimate our practicable construction capacity at eleven and a quarter billions. If private enterprise is allotted the construction for the top-income group and it or its limited-dividend corporations most construction for the middle group, it will have its hands more than full, handling a greater volume than it did in the boom years.

For the top-income group and the upper reaches of the middle group there is the usual set-up of private enterprise, private financing, and private equity. For the lower layers of the middle group and for possibly a small top layer of the lowest group, genuine limited-dividend corporations could operate with the benefit of insured low-rate mortgages. As the soundness and continuity of these limited-dividend corporations are of the greatest importance to the quality of housing and to the safety of investment, possibly the government, in order to attract the proper groups, should offer to guarantee a part of the anticipated limited dividend in return for representation in the management. These corporations cannot play a large role at the start, for it will take time to develop units of proper responsibility and integrity. The PWA originally tried and failed to find sufficient limited-dividend corporations. Masquerading as such were mere land peddlers or promoters without any stake in the enterprise—the same sort of people as those now bombarding the FHA.

The crux of the problem is the provision of good homes for the two-thirds, the low-income groups. In addition to low-interest loans, subsidies are required, as outright grants or as yearly amounts varying with price and wage

indices. The problem is to bring the economic rental of about \$8 per room, based on 3 per cent interest, down to a figure that this group can afford. If the average rental were brought down to \$6, it could have a range of from \$4.50 to \$7.50 per room, and could undoubtedly get far down into the low-income groups, leaving a numerically large but proportionately small group to be handled in special ways. If this rental is to be reached, a subsidy must bring the average interest rate down to 1 per cent, that is, to a yearly total of \$230,000,000 on loans amortized over a forty-year period. To see whether we can afford this, let us compare it with other subsidies. A report of George N. Peek to the President in May, 1934, shows that, apart from war debts, we lent foreign nations a total of thirteen billions from 1915 to the present time—much of which was never even spent here—and another ten billions for war uses, on all of which payment has stopped. Figuring this money at only 3 per cent and lost amortization of principal, we have subsidized foreign peoples to the extent of more than twice the proposed housing subsidy. Our yearly army and navy expenditure is about seven hundred millions. But the subsidy for housing is by no means a loss, not only because of its social benefits, but because some of the six hundred millions being spent on the CCC and some of the ninety millions (of the seven-hundred-million total) annually spent in federal aid for roads, will be rendered unnecessary by the increase of employment in this new enterprise. Much unemployment is chronically with us, and the time is at hand when conservation work and the building of good roads should proceed at a slower rate. These comparisons simply show that we can easily devote such subsidies to housing, and that we could increase such subsidies to the amount required for a twenty-year program of slum rehousing. In our normal stride we manage much greater expenditures that turn out to be sheer waste. Consider the ten billion dollars the government found to bail banks and insurance companies out of sour mortgages.

Taxation for the publicly subsidized housing must come from those most able to pay, from the wealthy. If taxes come from the poor, the housing is at the expense of other necessities and not worth having. We must not have a repetition of the WPA, with the poor paying for their parks and schools and hospitals by their own depressed wages, or of the situation in New York City, where the poor pay for unemployment relief through the sales tax. Housing advocates must not as heretofore simply seek a product, but must see that better housing really adds to the sum of available amenities, and does not replace something equally important. Not only must housing advocates scrutinize tax questions and legislation closely, but they must insist on adequate social-security and health-insurance measures, to eliminate the serious and disrupting effects of frequent moving. These seemingly remote points are as important as housing itself, and must be considered as part of a program.

Such a combined program of subsidized public housing, limited-dividend housing, and private enterprise will produce much more and much sounder construction than will feverish efforts to push private enterprise alone. It is said that the Treasury Department is beginning to worry about the growing contingent commitments of FHA insurance guaranties—and rightly. There is much loose optimism about the new mortgage structure by which immediate ability to

turn mortgages into cash will bring mortgage rates down to a point comparable with other liquid bonds. But if you have a bad loan it is frozen whether it is theoretically liquid or not. And if the government insures a lot of houses that are or shortly will be bad investments, it is going to be in trouble sooner or later, and not very much later at that. A better mortgage structure is illusory without a better physical and environmental structure underlying it. The FHA is an excellent mechanism if used within proper limits and if given time to do an intelligent job. Driven beyond a proper speed and quality of commitments, it is headed for a first-class disaster.

With these elements of an immediate program, we may outline a mechanism for carrying it out. What is required above all is a small unified thinking and directing group of vision and experience, who can see the picture as a whole, really in control of the separate mechanisms, instead of various organizations with innocuous coordinating committees of subordinates. At present it is a triumph when the FHA and the PWA and the Resettlement Administration and the HOLC and some of the dozen other housing units don't step on one another's toes—an occasional and purely negative triumph. What is far more important is that their policies should link up with each other, and produce some sort of integrated solution of the interrelated problems. Such a directing group should not be harried to produce miracles overnight; the legislation creating it should provide that it or the groups under it may purchase land and may have plans drawn so that it doesn't have to live from hand to mouth. As provided in the proposed Ellenbogen bill, this top group should be at the head of an independent agency or department with individual agencies under it. One of the lessons of the PWA experience is that a problem of this magnitude cannot be handled as a side issue in any department.

The purview of such a directing group would include rural, suburban, and urban housing and planning: the kinds of community suited to each, and the relative amounts of housing for each; use of land; the question of decentralization of population and industry as affected by electrification and new transport methods, with particular reference to preventing adoption of any of the decentralization methods that are simply a form of industrial exploitation; the significance and interaction of regional trends and the adjustment of yearly programs to these facts and to the trends of building costs; formulation of decent labor policies; allocation of work as among federal, state, and municipal bodies and as among public, public-private, and private organizations. This extensive list of things to be considered does not mean delay in action. It means merely the selection of men who have already been doing this kind of thinking and are able to handle such considerations without interminable delay. Such a top group must have the power to get things done; it must not degenerate into an advisory council, but must certainly delegate actual execution as far as possible to local hands, and in our present set-up must let private groups handle whatever they can handle satisfactorily. As has already been stated—and this is based on personal observation—in England private and government-initiated schemes are thriving simultaneously.

The top group should have directly at its command sufficient personnel to determine yearly construction volume

by regions, based on technical personnel available and on the industry's capacity at that time (for example, the first two years will necessarily be the slowest); to collect and collate regional data, giving orientation to local action in the light of relevant adjacent conditions and in the light of large trends of which the locality itself may not be aware; to direct or assist the gathering of data on detailed needs of the people to be housed; to carry on research on materials and methods; to work out applicable legal frames for handling the vexed question of federal, state, and municipal interrelations for such a program; and to furnish technical assistance to localities requiring it.

For its own technical staff and for the agencies operating under it, this proposed agency or top group would retain most of the present excellent technical personnel, and with it as a nucleus should initiate in all its activities the kind of high-grade permanent civil service that characterizes, for instance, the English government. The existing agencies would be pulled out of their present departments or present isolation so that we could have coherent action.

This outline presents the minimum requirements for a program which will produce housing that is acceptable in quality and quantity to those who need it and adequate for a permanent employment program. Details may be changed, figures revamped, but the start must be made with some such set-up. It has become the government habit to blunder from one expedient to another and call it experimentation. But experimentation in its true sense consists neither in repeating unfruitful experiences nor in pouring a couple of test tubes of unknown contents together and seeing whether or not there is an explosion. Intelligent experimentation proceeds methodically and with some anticipation of the result based on previous experience, changing methods and equipment when this seems desirable.

The program presented is far from ideal. But it does provide an immediate method for making considerable progress, within this Administration's declared intentions and its tentative actions in other fields. It puts squarely up to the Administration these questions: Does it want housing; and if so, will it give housing a chance? Or would it rather egg on a speculative boom? A speculative boom, if it eventuates, will certainly crash in the next few years because every move being made is repeating the moves of previous real-estate booms on an even riskier basis.

Of itself the Administration is unlikely to make such a concerted drive on the housing problem. I urge all groups interested in housing to make a drive on the government. I urge the A. F. of L. at its coming meeting to decide on a broad and continuous drive for housing, demanding construction not only to meet the impending shortage but to start rehousing those in the slums. I urge the zealous Councils of Unemployed to extend their vigorous activities to include housing as a major objective. The goal is legislation not only to permit such a set-up but to force execution of the program, and after that to transform the initial minimum standards of housing and community equipment into the maximum standards to which our industrial technique entitles us. It is already very late in the day to begin work if we are to avoid adding the misery of intenser crowding in increasingly shabby quarters to all the other economic miseries of the last six years.

[Part I of Mr. Mayer's article appeared last week.]

# Saving the Constitution

By RAYMOND GRAM SWING

*Washington, October 6*

ACT II of the Drama of the Constitution was staged in Baltimore. This time the holding-company law was under attack. The episode must be related with Act I if it is to be understood fully. It was one of the same series of events begun in a gilded room in the Hotel Willard, when the Liberty League's fifty-four lawyers made known that the labor-relations law was unconstitutional. The Baltimore performance was not under direct supervision of the Liberty League, but the chief actor in Baltimore was John W. Davis, counsel of the Edison Institute, and one of the fifty-four Liberty League lawyers. The campaign is the same; the Edison Institute is a co-producer of the drama.

The Baltimore case by itself is one of those technical, unimportant affairs arising from the bankruptcy and trusteeship of a utility-holding company. The trustee comes into court, asking advice from the judge to whom he is responsible. Nothing could be more proper or more remote from public interest. But this obscure occasion was skilfully chosen for the first attack on the holding-company law, and deserves to be lifted out of obscurity as an instance of how the shrewdest legal minds of the country can function to thwart the will of government as expressed by an Act of Congress.

To state the original case in simple terms: There was a bankrupt utility property undergoing reorganization. It ought to register under the new law (which it can do reserving its constitutional rights). Perhaps under the law the company will have to liquidate. If the law is constitutional, the trustee may have more difficulty with the reorganization planned. The trustee is entitled to ask the judge what to do. The judge might authorize the trustee to spend funds to contest the constitutionality of the act. That would lead to a straight suit, with the government a party, and the issues arising from clearly conflicting interests would be defined and settled.

But that is not what happened. Somehow, this obscure problem of a Baltimore trustee was discovered by or to the Edison Institute and John W. Davis, the great Constitution-saver. He must have seen that here was an ideal situation for purposes of weakening the authority of the holding-company law. To begin with, the case would come before Judge William C. Coleman, a man of markedly conservative views, who would have an open ear to the constitutional eloquence of Mr. Davis. Then the case was one which could be used in a strategic act of great effectiveness. So Mr. Davis decided to intervene.

There is no mystery as to how he reached this decision. The attorney of the utility came from Baltimore to New York to see him. He is one of the nest of utility attorneys who flock together. The utility attorney explained to Mr. Davis what the situation was, and Mr. Davis explained it to other attorneys of the Edison Institute. Thereafter Mr. Davis said that if there were an intervening client who would like to be represented by him, he would serve. At that moment there was no such intervening client. He must necessarily be an intervening client who believed that the law

was unconstitutional and would damage his interests. No stockholder in this utility had ever raised such an issue. So an intervening client had to be "discovered" if Mr. Davis was to attack the constitutionality of the law. How this was done will be related in a moment.

First must be told how the case was developed from a trustee's simple question to a judge into a formal attack on the constitutionality of the law. For this change there had to be two interventions, one by the stockholder who believed the law unconstitutional, whom Mr. Davis should represent. Then there had to be an intervenor who believed it was constitutional. For there must be an appearance of a conflict for the judge to decide. It would be a detail to find the client for Mr. Davis. Fortunately there was someone on hand to serve as antagonist. This was a man up to his neck in the case, for he had been active in pushing one of the schemes of reorganization. His name was Ralph P. Buell, representing an investment trust holding securities of the company. He wanted the company liquidated, for then he hoped to salvage more for first bondholders. Primarily he didn't care about the constitutionality issue; what he wanted was a liquidation. He would make an ideal fighter against Mr. Davis for three reasons. Since his first interest was not constitutionality, he would cooperate in defining the issues and facts of the controversy. That would let the enemies of the act pick their own ground for their fight. If he lost the decision, he probably would not appeal. Judge Coleman's decision would be then unchallenged (assuming he found the law unconstitutional). Then the utilities of the country, required to register under the act by December 1, would be encouraged not to register, and the entire industry would be maneuvered into resistance to the SEC. The third reason was best of all—by this device the government would stay out of the case as a party. Instead of helping define the issues of the case, shaping them in suitable form to be considered by the Supreme Court, it would come in only by invitation as "friend of the court." And it could not appeal.

Mr. Davis went to Baltimore, and representing a client he had never heard of, who had never dreamed of employing him or anybody else, he visited Judge Coleman with other attorneys in the case. Shortly afterward the case was filed by the trustee, by Mr. Davis's client, and by Mr. Buell. All of them acted on the same day. It was a prearranged action, with an agreement on facts and issues.

A hearing date was set, and the government was told about the case. Judge Coleman, of course, invited both the SEC and the Attorney General to appear as friends of the court to "advise" him. He could do no less. The government appeared and asked a continuance. This seemed to mystify Judge Coleman. He couldn't understand why the government needed time. Didn't it have all the constitutional issues at its finger tips? And wouldn't it be allowed time to file briefs? He refused the continuance.

The government then attacked the case as being both unreal and the fruit of collusion. It said no genuine antagonisms were involved. A simple problem of a trustee had been

neatly twisted into a test of constitutionality going far beyond the standard practice of courts. Here was a direct appeal from Congress to the judiciary, something not countenanced by American jurisprudence. The government presented a dossier of all the attorneys, showing how closely they were linked and how alike in principle their interests were.

A charge of collusion was deliberately hurled at the head of John W. Davis, former candidate for the Presidency and acknowledged leader of the bar. It didn't impress the judge, for he spoke sarcastically of the government's fears that he would not protect himself from "men it had painted as being so horrible." John W. Davis slapped back by calling the collusion charge made by Judge Burns of the SEC one that would have been "offensive to the dignity of a police court in his state of Massachusetts."

Just what collusion may be is not for a layman to decide. But here is a somewhat abbreviated transcript of the case showing the relations of Mr. Davis with his client. It should be remarked that the client's holdings in the company have a present value of \$400.

Thereupon Dr. Fred Lautenbach, a witness of lawful age, called by the court, having been duly sworn, testified as follows:

*Direct examination by Mr. Burns.*

Q. Are you the Fred Lautenbach that has signed a petition here to intervene in the matter of the American States Public Service Company?

A. I am.

Q. When was this matter first called to your attention?

A. I should say about a week or ten days ago.

Q. And who called it to your attention?

A. Mr. Baumgartner, of Gillet and Company.

Q. Is he a friend of yours?

A. No.

Q. Did you know him before this?

A. Yes sir.

Q. In what capacity did you come to know him?

A. Just through dealing.

Q. He ran a brokerage office with which you did business?

A. Yes.

Q. Was it through him that you purchased some debentures of this company? —

A. Yes sir.

Q. What conversation did you have with this gentleman?

A. He simply called me up and said there was a reorganization taking place, or they wanted to reorganize the company and wanted to know if I would sign some papers in regard to it. That is all I know.

Q. Did he describe the papers to you?

A. No sir. He said he would bring them up.

Q. Did he tell you who was going to be your lawyer?

A. I think he said something about a Mr. Davis being in town representing the company.

Q. Did he say that Mr. Davis was going to represent you?

A. No sir.

Q. And you have never met Mr. Davis?

A. No sir.

Q. And where was this petition which you signed, when was it signed?

A. I judge about a week ago, a week or ten days ago.

Q. Where did you sign it?

A. Down in the attorney's office, Carey Piper and

somebody else. [Mr. Piper is counsel for the trustee and the one who told Mr. Davis about the case.]

Q. Well, tell the circumstances of your signing it.

A. I asked why I was called to sign it, and after I signed it they sort of smiled and said, "Well, you are the only one in Baltimore who owned any."

Q. Could you give your judgment as to what was in the paper that you signed?

A. Just something that they wanted to reorganize the company whereby they would realize something out of it. Otherwise, the way I understand it, the government was trying to confiscate the holding company, or something of that kind.

Q. You cannot recall the particular allegation in the petition?

A. I cannot say that I do.

Q. Did you have an appreciation that at the time you were being represented by Mr. Davis of New York?

A. Not I, personally, no.

Q. You have never met Mr. Davis personally?

A. I don't know the gentleman.

Q. You never made any arrangements to pay any attorney any fee for representing you?

A. No sir.

*Cross examination by Mr. Davis.*

Q. Mr. Lautenbach, when you signed the petition you understood it was to be filed in this proceeding?

A. Yes sir.

Q. And you were told that I would represent you on that petition?

A. Yes sir, not me, the company.

Q. Not you?

A. No sir.

Q. Have I your authority now to proceed on that petition to argue the questions in this case?

A. Yes sir.

MR. DAVIS: That's all I want to ask you.

MR. BURNS: Doctor, just one question. You now appreciate that Mr. Davis is acting as your personal attorney in this proceeding?

A. That's the way I understand it.

Q. And this is the first time you appreciated that fact?

A. Yes sir.

MR. DAVIS: That is satisfactory to me, Mr. Burns, if it is to you.

After thus obtaining the authorization of his client, Mr. Davis could proceed to argue constitutionality before Judge Coleman, which was what he wanted. But the circumstances call for more than the laughs given in the courtroom when Mr. Davis was "engaged" by his client from the witness stand, and the humorous accounts that followed in the newspapers. This was a display of the machinations of corporation lawyers. More careful preparation would have averted advertising the artificiality of the controversy. But when it was advertised, Mr. Davis did not even blush. Nor had there been blushing when the Liberty League lawyers called the press to the Willard Hotel and pronounced the labor law unconstitutional. On that occasion E. F. Reed, the Weirton Steel Company's counsel, laid down the precept that when a lawyer finds a law unconstitutional it is a nullity and his client need no longer obey that law. Mr. Reed subsequently regretted this assertion and withdrew it. But the cooperation of lawyers to defeat the law has not stopped. It has enlisted the finest names and minds of the profession, and John W. Davis unblushingly engages in a wangle that may astonish the profession which he heads.

# Leo Gallagher

By CAREY McWILLIAMS

*Los Angeles, September 15*

**D**ETERMINED to portray the state's half-dozen radical leaders as an assortment of monsters, the California press has created several notable legends. Of these, the Leo Gallagher legend is perhaps the most terrifying. So thoroughly has it been propagated that to question a detail of the accepted version is rank heresy. The Californians are determined to believe that Leo Gallagher is a blasphemous and illiterate shyster who receives fabulous sums of money from Moscow to besmirch the sacred tables of the law.

The real Leo Gallagher, however, is laughably in contrast with the courtroom bogy of the legend. Slight of figure, shy and academic in manner, he gives the impression of being a mistreated gnome, whose sorrowful study-weakened eyes, beneath close-cropped gray hair, gaze from thick lenses at a world that is unsatisfactory, disheartening, and uncivilized. The voice is gentle, but it can be shrill with indignation; even in conversation the lips occasionally curl with scorn. No blatant ranter, he can be violently indignant. But his violence is that of the hypersensitive person who cannot keep his indignation within conventional bounds. Despite his talent for vehement expression of his convictions, he is a spiritually distraught person—a small, aging man grown haggard with contention.

The newspapers depict Gallagher as a courtroom hooligan who is constantly being crushingly reprimanded by patriotic and punctilious judges. In reporting the trials in which he has participated, the press has consistently libeled him. During a trial in Los Angeles he charged that the police treated the Constitution of the United States as a "scrap of paper." He was quoted as having yelled at the top of his voice that "the Constitution is nothing but a scrap of paper." In the Sacramento criminal-syndicalism trial his address to the jury was misquoted so as to make it appear that he had threatened the jury.

Part of this campaign of misrepresentation has been the steady insinuation of the notion that Gallagher is a rabble-rouser without education or training. For this reason the facts of his career have seldom been mentioned. It is not generally known, for example, that he graduated from Yale Law School in 1910 and that he spent six years in preparation for the priesthood, three years at St. Bernard's Seminary at Rochester and three years at the University of Innsbruck, both Jesuit institutions (he was awarded a doctorate in philosophy from the latter institution in 1916). After studying for a time in Italy, Gallagher decided that he was not destined for the priesthood. Returning to America, he worked in the California fields as a fruit tramp and in the summer of 1916 entered a military-training school. His unit, ironically, took part in the famous Preparedness Day parade in San Francisco. Nowadays he sometimes recalls, in rueful asides, his conviction as a rookie that Tom Mooney was guilty. "At that time," he says, "I didn't know what a frame-up was." Later he went to El Paso, where his family had resided for many years, and be-

came assistant city attorney. During the war he served in a medical unit, in the intelligence service, and on headquarters staffs at Camps Travers, Funston, and Lee, being mustered out of the service with the rank of second lieutenant. For a brief period after the war he was an instructor at Creighton University, coming to California in 1922 to practice law. In addition to practicing law, Gallagher taught in the law school of Southwestern University in Los Angeles from 1923 until 1932, when he was forced to resign, despite a strong student protest, because of his espousal of radical cases in the courts.

At the outset Gallagher's radicalism was wholly emotional. He never had to work for a living until he was more than thirty years of age. Of a devoutly Catholic family and trained by Jesuits, he was subjected to conservative influences in early life. He had not practiced law very long, however, before he became involved in radical cases. He had no definite economic views at the time: "I just felt restless; I was disgusted with so many things." About 1923 he began to attend "wobbly" meetings in San Pedro, California, and occasionally to address them. From that time on, his work as a practicing attorney has been taken up with the defense of political and economic dissenters.

Few attorneys have had a wider acquaintance with so-called "radical" cases than Leo Gallagher. In California he has had to cope with the famous Red Squad of the Los Angeles police, with community vigilantism, with a prejudiced judiciary, and with the state's notorious criminal-syndicalism law, which has served as a model for similar legislation in twenty other states. He has defended radicals of every variety of opinion, addressed radical meetings throughout the state, and fought the growth of fascism with great tenacity. He was one of the counsel in the Imperial Valley criminal-syndicalism trial in 1931, won a directed verdict when he forced a reluctant court to try Tom Mooney on an old indictment that had never been dismissed, participated in the sedition trial of A. E. Smith in Toronto, and in 1933 took part in the Reichstag trial in Germany, being expelled from the proceedings and, later, "requested" to leave Germany. He represented the defendants in the "relief-riot" cases in Los Angeles and conducted the defense in the Sacramento criminal-syndicalism trial.

In the long list of cases in which he has participated Gallagher has not maintained a lawyerish detachment; he has been whole-heartedly identified with the defense. He is not afraid to let courts and juries know that his sympathies and convictions are with the defendants. On several occasions in California he has been badly beaten, and on March 17 he was arrested in San Francisco on a charge of "inciting to riot" while attending, as a spectator, a meeting called to test the right of free speech. A strenuous partisan, he is scrupulously fair with opponents.

In California the charge is often made that Gallagher "convicts his own clients." While the charge is absurd—he has maintained a good record in the cases he has tried—

it does involve an important consideration. Gallagher is not just another liberal lawyer. He is not interested in exchanging pleasantries with the court or flirting with the jury or extolling the virtues of American jurisprudence. He is thoroughly convinced that few, if any, courts in America will give the defendants he represents a fair trial. He believes that the average judge, in trying radical cases, loses all sense of decency and is not above the meanest chicanery in doctoring statements on appeal, speeding up the defense after allowing the prosecution every latitude, and attempting by artful suggestion to prejudice juries. Consequently, Gallagher does not flatter the courts in which he appears by indulging in any assumptions as to their impartiality. He never pretends to believe in the elaborate front behind which they seek to conceal their own deviousness. Gallagher brings class issues into the courtroom and never permits judge, jury, or audience to ignore them. In Sacramento, for example, few observers believed in the impartiality of Judge Dal M. Lemmon by the time the trial was concluded. Gallagher has talent for seizing upon every nuance of discrimination and pointing it out with scornful pride. By a constant barrage of motions he forces the courts to make rulings that, even if technically permissible, are obviously unfair. Every trial in which he is involved is converted into a frontal attack on the whole farcical business of pretending to "try" radicals with impartiality.

Although he has a respectable record as a trial lawyer, the record by itself would be misleading. For Gallagher is effective even in the cases that he loses. He has been known to worry judges into nervous exhaustion by his disagreeable insistence upon explanations for discriminatory remarks, rulings, and orders. I have talked with a number of judges before whom he has tried cases, and, anything in their courtroom demeanor to the contrary, he has given them sleepless nights. Nor have the most obdurate juries escaped the impact of his sincerity. In the recent Sacramento trial the jury deliberated for sixty-six hours and acquitted the defendants on the more serious counts in the indictment. In the communities where Gallagher has defended important radical cases, opinion has been sharply divided over the issues which he has so clearly exhibited.

More than any person I know, Gallagher lacks humor, detachment, tact. Blandishment is unknown to him. He is a zealot for justice. But by and large his methods have been as successful as the disingenuous tactics pursued by cleverer men, and he has made a deep impression upon thousands of persons in California. In 1933 he polled 70,000 votes when running for municipal court judge in Los Angeles; in 1934 he received 242,313 votes in his campaign for the office of associate justice of the California Supreme Court—by common consent one of the most remarkable votes ever recorded in the state. He made practically no campaign, he had no funds, and it would be difficult to imagine a worse politician. Moreover, he had no radio or newspaper support, and to make matters worse Upton Sinclair refused to support him, although no EPIC candidate was contending for the office. With these limitations he managed to poll nearly a quarter of a million votes. In reflecting upon the consternation which the presence of the grim and fiery Gallagher would have caused among the stuffed-shirt gentry of that austere bench, one cannot cease to deplore his defeat.

## Correspondence

### The Case Against Twisting

TO THE EDITORS OF THE NATION:

In *The Nation* of July 31, in an article entitled *Life Insurance: The New Offensive Against Policy Holders*, Mort and E. A. Gilbert ridicule my statement that the decision in *People vs. Legg*, a New York case, was "rather startling," and deride my approval of Section 60 of the insurance law of New York, the anti-twisting law, as recently amended. In the process, however, they again advocate "rewriting" of insurance policies and thus raise questions distinctly more important than that of the justice of the decision in a rather obscure case.

Life insurance is senseless unless the payment of death claims is as certain as death itself. Messrs. Gilbert call the system under which life insurance the world over operates "an unstable system based upon fundamentally unsound principles" that "cannot be perpetuated by legal benediction," and refer to the actuarial science as a "specious, actuarial point of view." If that is true, why *rewrite* insurance? Why not rather drop it and buy something else, Insull stock, for instance?

American life-insurance companies unquestionably pay their death claims and other claims promptly; failures of life insurance companies during this depression were few, and in the majority of failures stockholders rather than policy-holders bore the losses. Compared with the experience of our banks, our financiers, our investments in stocks and bonds, that of the policy-holders was highly satisfactory.

It would be very unfortunate if this, at least comparative, success of life insurance had to be ascribed to the ability and integrity of the men who run insurance companies, to men rather than methods. Life executives are not abler than other executives; if they succeeded where others failed, it was simply because the principles of operation of life-insurance companies are good. These principles are based on two things: (1) laws severely restricting the company's investments and their freedom of contract, rigidly enforced by powerful state insurance departments; and (2) the legal-reserve level-premium system. We will discuss only the second one.

Let us realize that as mutual insurance companies have no capital at all and as the capital of stock companies is comparatively insignificant, everything that comes out of an insurance company, whether in the form of death benefits, dividends, or surrender values, must have first been put into it by policy-holders or earned by investing policy-holders' moneys. Messrs. Gilbert's advocacy of twisting is therefore at best the advocacy of a different distribution among policy-holders rather than a complaint that the companies do not pay enough. The companies have to pay their money to some policy-holder; where one loses, the other gains, and not a single one can foretell to which class he will belong.

The basis of the level-premium system is the fact that the proportion of young men out of a given number who will die in a given time, say, a year, is smaller than the proportion of old men out of an equal number who will die in the same time. The cost of paying the death claims of the young men, called the mortality cost, is thus less than the cost of the death claims of the old ones. Every year, as the policy-holder grows older, the mortality cost increases. If we charge him each year for that cost and no more, the sum he must pay when he gets to be old will be so fantastic that hardly anyone will be able to afford it. The level-premium system offers him a compromise, based, like every compromise, on a give and take. It overcharges him for mortality in the early years and undercharges him in later

years, making up the undercharge out of the accumulated overcharge. The group as a whole gets back every dollar that it puts in plus every dollar that its investment earned, apart from what is spent for taxes and cost of administration. As to the individuals, some die early and make a lot of money, others live long and just get their money back, perhaps plus some interest. That is the chance they take; that is the compromise. Insurance, of course, means shifting the risk from the individual to the group; there is no sense pretending that each member of the group does not still bear a part of it.

The overcharge, called the reserve, originally was confiscated by the insurance company if the policy-holder failed to pay a premium—"lapsed his policy." In the good old days, if you failed to pay your premium at noon of the day when it was due, your policy lapsed and the company kept your reserve. Nowadays, statutes compel the insurance company to return to the insured the reserve of lapsed policies or its equivalent. These statutes were enacted, of course, against the violent opposition of the companies. While they still may be less than perfect, the old injustice has been remedied.

If a policy-holder discontinues his premium payments, his reserve is not lost. He gets what are called loan or surrender values. But, say Messrs. Gilbert, if my \$10,000 policy has a surrender value of \$4,000 and if I die, and the company pays only \$10,000, my \$4,000 cash value is lost; it should pay both, or a total of \$14,000. Why should I get no more than the man whose policy has a cash value of a few hundred dollars or none at all? The complaint is justified, of course. The answer is that that is the system, that is the compromise. After all, if older policy-holders are to get more, the group must pay more.

But could not certain clever people beat the system by surrendering policies of high cash-surrender value and replacing them by new policies without present cash value and at higher premiums? That is the theory so vociferously sponsored by Messrs. Gilbert. That it works in an individual case is doubtful. The calculations are by no means simple. Older policies not only carry lower premiums and higher dividends; they also increase more rapidly in cash value than newer policies. (These increases are not "theoretical" as Messrs. Gilbert say, they are the company's definite promise, enforceable at law, as is the promise to pay death claims.)

But assume that Messrs. Gilbert are right in the case of the individual and that everybody takes their advice; then the companies will be left with nothing but new policies and policies on impaired risks. No insurance system could function under these conditions.

Such rewriting, however, is not what is called "twisting." By that term we designate the activity of agents and others who for their personal gain, by misrepresentation or suppression of facts, induce policy-holders to surrender their old policies. The amendment of the New York insurance law aims to prevent such misrepresentation and nothing else. It proceeds on the assumption, which surprises Messrs. Gilbert, that people do not know the contents of their own policies. The books are replete with cases where policy-holders for years filed no claims, simply because of ignorance of policy provisions. Messrs. Gilbert laugh at my mention of the suicide clause; but the millions of dollars paid by insurance companies because of suicide in the early depression years eloquently support my attitude. And why should a man not be told that his old policies are incontestable, that is, payable absolutely, while the new ones for two years will be subject to attack for fraud or even innocent misrepresentation?

It is not necessary to retry in these pages the case of *People vs. Legg* (234 App. Div. 372, affirmed 259 N. Y. 654). Maybe that case was properly decided under the law, as it then stood; but certainly no well-informed, disinterested lawyer

or other competent adviser would have approved the change of policies proposed by the defendant in that case. The old policies could have readily been changed, in the same company, without any sacrifice of valuable rights. One of them, the sacrifice of which Messrs. Gilbert apparently approve, was the insured's right to receive \$2,500 a year from the company in case of total and permanent disability. Why make a present of that right to the company?

Having for many years devoted most of my energies to the service of policy-holders, I resent the charge that I approved of a "new offensive against policy-holders." The complaining witness in the *Legg* case was not the insurance company but the policy-holder himself. The benefits of accurate, complete, and true representations, which the law now exacts, will not flow to the companies but to the policy-holders. They will now be told the truth; if not, they may sue the twisting agent for the commission he made in selling the new policies.

Is life insurance perfect? Of course not. There is plenty of room for improvements and one of these would be well informed, intelligent criticism. Messrs. Gilbert are quite right in deploring the universal failure of policy-holders to exercise their voting rights. Voting rights are worthless unless used. Active, intelligent control of elected officials is the foundation of democracy. But how can we overcome the inertia of the great masses of policy-holders and stockholders? Any attempt in that direction will prove to be most valuable.

New York, September 10

ALBERT HIRST

## Consumers' Research

TO THE EDITORS OF THE NATION:

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New York, September 20

JAMES GILMAN,

Chairman, Executive Board,  
Association of Consumers' Research Subscribers

## Contributors to This Issue

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# Labor and Industry

## Preface to the A. F. of L. Convention

By A. J. MUSTE

**E**XACTLY ten years ago the annual convention of the American Federation of Labor met in Atlantic City. Then, as in the convention now about to convene, there was a crisis in the position of William Green in the A. F. of L. which reflected and symbolized the crisis in the labor movement and the working class as a whole, and which it is therefore important to understand. In 1925 Green was going up the ladder; in 1935 he is on the way down.

The Executive Council of the A. F. of L. had elected William Green in the fall of 1924 to fill the unexpired term of the deceased Samuel Gompers, after John L. Lewis, Green's chief in the United Mine Workers' Union, had combined with Hutchinson of the Carpenters to throw to Green the two biggest blocks of votes in the Federation. The real test was to come, however, in the 1925 convention. If the delegates elected Green to a full term, it would probably lead to reelection for successive terms and would imply stability and continuity in the federation leadership. A bitter contest and the defeat of Green would herald a period of conflict and instability.

The outcome was far from assured. By the liberals in the A. F. of L. Green was generally considered a progressive. He was from the industrial miners' union, not the building or printing crafts. He had been member and president of the Ohio senate and had there sponsored an advanced workmen's compensation law. He was sympathetic to the workers' education movement, then largely in the hands of progressives. Matthew Woll, generally regarded as Gompers's choice for his successor (the "crown prince"), was a more outspoken craft unionist, a militant conservative, and an ardent red-baiter.

Those were the days of the Anglo-Russian Trade Union Committee, the period leading up to the general strike in England, when important elements in the British labor movement sought a rapprochement with the workers of the Soviet Union and their organizations. The leading fraternal delegate from the British Trade Union Congress was A. A. Purcell, then its president and prominent in the Anglo-Russian Committee. It is the custom for the A. F. of L. president to make a reply to the speeches of leading fraternal delegates and these replies often constitute important semi-official declarations of policy.

Purcell's speech was a ringing challenge. He advocated militant industrial unionism, a labor party, recognition of the Soviets by the United States government, and friendly relations between the A. F. of L. and the Russian trade unions. There was electricity in the air as Green began his reply. He left no doubt as to where he and the A. F. of L. stood. The federation was the most militant trade-union movement in the world and that was why the standard of living was higher here than anywhere else. A labor party might be suitable to the needs of the British workers, but as the La Follette-Wheeler campaign had demonstrated, it was not suited to the United States, and the A. F. of L.

would adhere to Gompers's good old "non-partisan" line. If the A. F. of L. had anything to say about it, the United States would not recognize the Soviet regime, which flaunted international obligations, was bent on wrecking civilization, and so on. And as for friendly relations with the Russian unions, we had a great affection for "the Russian people" and hoped some day the Russian workers would have bona fide trade unions, but the A. F. of L. was out to smash the influence of Communist disrupters in the trade unions everywhere and would have no truck with the Communist unions of Russia.

After the meeting a group gathered on the boardwalk. In the center stood John P. Frey, the editor of the *Molders' Journal*, now head of the Metal Trades Department of the A. F. of L., conservative of conservatives in his social philosophy but personally honest, intelligent, well-read. Frey uttered a verdict which has become historical: "Green is elected. The A. F. of L. is safe. Now we know that we have a strong man who can wear Samuel Gompers's shoes."

Thus was ushered in the reign of William Green and the swing to the right of the A. F. of L. which prevailed from 1925 to 1933, even the depression being unable at first to break its momentum. The doctrine that the way to build unions was to induce employers to put their workers into the A. F. of L. in order to get more efficient production, the theory that strikes are a relic of an earlier barbaric era of employer-employee relationships, political support of the Coolidge-Hoover administrations, such complete suppression of even the mildest opposition that for years there were no negative votes in the A. F. of L. conventions, the degeneration of many unions to the level of out-and-out rackets—all these characterized this era. Also a steady drop in A. F. of L. membership, lost strikes, intense speed-up of industrial workers, increase in the number of unemployed, and a field day for finance capital. For the A. F. of L. officialdom it was nevertheless a "good" time: there was a large enough per capita tax to enable them to maintain the position in life to which they had become accustomed; they basked in the warm sunshine of official favor; and nobody could challenge them, the Communists obligingly having removed themselves from A. F. of L. unions in accordance with their third-period "dual-union" tactic.

When the New Deal was inaugurated, the A. F. of L. leaders and superficial observers on the outside thought that the old regime would persist, and on a hitherto undreamed-of scale. What stupid employers had failed to do, namely, organize their workers in the A. F. of L., Roosevelt would do. Increase in membership and a tremendous increase in activity there have been. But Roosevelt has turned out not to be Santa Claus. Strikes have multiplied. The new elements in the union, and even many older members, are not readily amenable to discipline. Green comes to this year's Atlantic City convention with his prestige severely shaken.

The dispute which threatens to tear the Building Trades Department asunder is as yet unresolved. When the

federal unions in the automobile industry met some weeks ago, Green in person laid down the condition that they must accept the machine candidate, Francis Dillon, as their first president, and that their "industrial" union would not have jurisdiction over the skilled craftsmen in the industry. The delegates, though they had in the main not been elected from progressive slates in their local unions, voted down the Dillon proposition by a decisive majority. Green felt himself strong enough to defy them and impose Dillon on the new union. But during the same week he sent "orders" to the convention of the American Federation of Teachers in Cleveland to withdraw the charter of Local 5, New York, as a means to drive out the reds, and the teachers flatly rejected his edict and still continue to do so. More recently, in the Akron convention of the rubber workers, Green, again present in person, suffered a more decisive rebuff and was forced openly to admit defeat. When the rubber workers almost unanimously rejected his candidate, Coleman Claherty, and also rejected financial aid from the A. F. of L. in setting up their national office, Green said: "I accept your judgment as final."

The spectacle of a federation president thus capitulating to the rank and file, Green's lack of finesse in composing jurisdictional disputes, his apparent inability to defend the citadels of the old craft unions against the newcomers in the unions unquestionably cause a profound disturbance in the breasts of the craft-union officials and all the trade-union reactionaries. But while the comfortable days are over for the country's best-known Baptist, it does not follow that there will be an open contest for the A. F. of L. presidency this year or the year after. There is no basic difference in philosophy between Green and the only opposition which is as yet able to think of taking the presidency away from him, and it is therefore entirely possible that they may arrive at an understanding and that Green may be retained in office.

This opposition is led by John L. Lewis of the Miners, Sidney Hillman of the Amalgamated Clothing Workers, David Dubinsky of the International Ladies' Garment Workers, Gorman of the United Textile Workers. Behind them are arrayed the lesser officials in their own unions and in some others, as well as the leaders of some of the smaller unions. These men have the old Gompers philosophy that the union exists to get the most possible for the workers within the framework of the capitalist system. Only they want to adapt the union structure for effective collective bargaining under present conditions. Furthermore, Lewis, Hillman, and company are well aware that in the present period there is bound to be more and more "government interference" in business, that the collective bargain has to be made with the government, the federal administration—nominally as impartial arbiter, really as the agent of the big employers. They are convinced that unions cannot be built or achieve results without government support. The Administration, even more than big employers, must have national "industrial" unions to "do business with."

Thus these men are bent upon final divorce of the A. F. of L. from the "anti-government," syndicalist leanings of the Gompers era, and their stand for efficiency and up-to-dateness in union administration and for "industrial" unionism must be understood in the light of their basic philosophy and the role which the unionism they represent plays in the social scheme. It may be added that no matter

what these men may say about a labor party under pressure from their rank and file, their relations with the Roosevelt Administration mean that in practice they will for the present at least sabotage any labor-party development.

Fundamentally, the unrest in the A. F. of L. is, of course, a reflection of the crisis of American and world capitalism. The old craft unionism cannot meet the needs of the workers under the new conditions. Neither, however, will the Lewis-Hillman government-sponsored "industrial" unions provide for the masses in the basic industries still unorganized, or for the unemployed, or even eventually for the membership of their own unions, though there can be no question that structurally the industrial union is better fitted to cope with modern conditions and that the development in the A. F. of L. in this direction gives progressive elements a freer hand than they had in an earlier period.

Progressives and militants standing on a platform of trade-union democracy, industrial unionism, and class struggle will unquestionably come forward to build their forces against Lewis and Hillman as well as against Green. As the approaching A. F. of L. convention will demonstrate, only the merest beginning has as yet been made in the organization of such forces. When the movement has progressed farther, we shall witness a real battle in the federation. As the conventions of automobile workers, teachers, and rubber workers have testified in rapid succession, the tide of insurgency is rising.

## One Speaks of Rope

By HEYWOOD BROWN

A GOOD many years ago I ran the book department of the *New York Tribune*. That is, I was the book editor. The work was done by a snub-nosed young boy and a girl called Natalie. This was before the days of the daily book column, and the *Times* was the only local paper which boasted a Sunday section. We merely had a shower of reviews buried deep in the middle of the paper each Wednesday morning. The necessity of criticism lay in the fact that we got some book advertising, and the naive publishers seemed to be pleased to find their wares mentioned even though nobody in particular read the reviews.

One day the snub-nosed boy, whose name was Bill, said to Natalie and to me, "Do you know what I'm doing in my book reviews?"

We both admitted that we had not the slightest idea.

"They're chuck full of Bolshevik propaganda. I'm boring from within."

He seemed a little disappointed because neither Natalie nor myself was greatly stirred or affrighted by this plot to overthrow the government of the United States by armed force through the medium of the book columns of the *New York Tribune*. Still, this young revolutionist did manage to get himself sent to Russia as a correspondent for the *Christian Science Monitor*, and presently there were great fat volumes about communism on the shelves of the bookstores and they were written by Bill, who had now become William Henry Chamberlin.

The rift in the honeymoon did not develop immediately,

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but presently there were indications that William Henry Chamberlin had recanted his original faith. He found that the Union of Soviet Republics was not Utopia, and in his disappointment he became one of the most severe critics of the Russian regime. It is not my purpose here to debate in any detail the criticisms which William Henry Chamberlin has made of the Soviet system. They seem to me for the most part the complaints of a young romantic who mistook Marx for another Lord Alfred Tennyson.

And again if I insist on a certain saline skepticism about Bill's most serious charges, I can justify it by pointing out that his reports on the American mood and temper seem to me singularly inaccurate.

At the moment a series of journalistic pieces by Chamberlin are current in the local press. The title of these articles is Coddling Communism, and the animating idea is the notion that American liberals are prepared to swallow whole and without any kind of criticism each act and policy of the Soviets. William Henry Chamberlin mentions a prominent American liberal who expressed surprise at learning that there are prison camps within the Soviet Union. Mr. Chamberlin seemed to feel that this was characteristic of "fellow-travelers" in this country.

While I am no ardent defender of all liberals I wonder if it was not an idiot child rather than a local progressive to whom Bill talked. After all, not a week and hardly a day passes without the issue of some book entitled "How I Escaped from Stalin's Dungeons." Whether for good or ill, strict fact or flamboyant fiction, America has been deluged with the information that there are prison camps in Russia and that within them life is harsh and rigorous.

At one time it may have been true that the sharp differences of opinion about Russia which exist in this country were based on a lack of literature dealing with life in that land. Now the reverse is certainly true. To be sure, the books on the subject vary widely in their point of view, but no literate person here can have escaped reading a vast amount about Russia. I might go even farther and say that not only has very American read a book about Russia but that practically every American has written one. My friend Rollin Kirby of the *World-Telegram* is the only adult I know who has spent two days in Moscow and refrained from imposing his impressions on some publisher.

William Henry Chamberlin does not foresee an immediate leftist revolution in America but he does envision dire things happening because liberals here, in his eyes, are wholly ignorant of the true happenings within the Soviet Union. He scores "the present professions of contempt for political democracy" among liberals—maybe he didn't see Walter Lippmann while he was away—and adds: "Every outburst of left-wing extremism simply plays into the hands of those forces, obscure but potentially powerful, which might, in the event of a severe future crisis, attempt to change the traditional American form of government in a fascist direction."

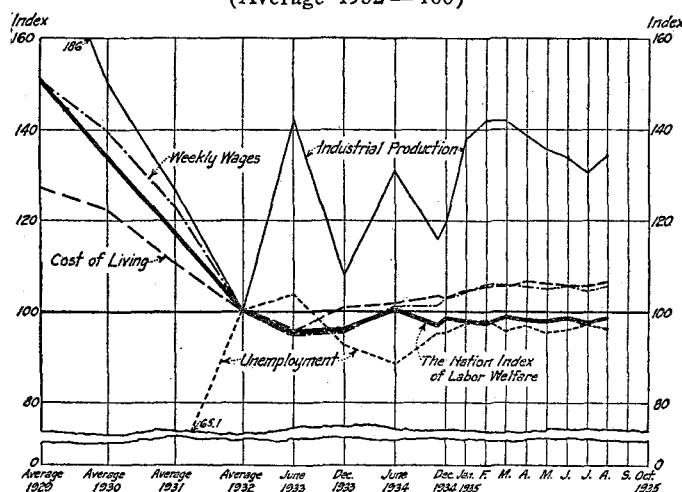
I fear that the snub-nosed boy we knew as Bill is still an incurably romantic Utopian. In 1920, or thereabout, he chose the book columns of the *New York Tribune* as a medium for the beginning of a Bolshevik revolution. And now he has picked as the place for an appeal against the "obscure" forces of native fascism the editorial pages of Mr. William Randolph Hearst's *New York American*.

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## The Labor Index

**R**EFLECTING a better-than-seasonal improvement in general business activity, *The Nation* Index of Labor Welfare rose so sharply in August as nearly to offset the previous month's decline. The upturn appears to have been concentrated almost entirely in the manufacturing industries and bituminous coal mining. While employment in these branches rose by 197,000, there was a drop of 42,000 in the non-manufacturing industries. Weekly payrolls in manufacturing and mining were up approximately \$10,100,000, while those of other industries declined by \$2,100,000. As a result of these changes, the average weekly wage rose from \$21.30 to \$21.60—the sharpest increase for any month in the past year. Although this advance was partially counterbalanced by a  $\frac{1}{2}$  of 1 per cent rise in the cost of living, real wages—the true measure of working-class welfare—recovered their previous loss and climbed within a fraction of 1 per cent of the 1932 level.

THE CHART OF LABOR WELFARE  
(Average 1932 = 100)



The removal of some 248,000 persons from relief rolls to WPA projects during July and August raised a serious technical problem for the construction of the index. Obviously, the transfer of men from relief to made-work projects at considerably less than the prevailing wage is not equivalent to giving these individuals jobs in industry or employing them on PWA projects at standard wages. Consequently, for purposes of the index, we have decided to consider these men as if they were still on relief.

The preliminary indices for August, together with revised figures for the previous month and August, 1934, are as follows:

(1932 = 100)

|                                  | August,<br>1935 | July,<br>1935 | August,<br>1934 |
|----------------------------------|-----------------|---------------|-----------------|
| Industrial Production . . . . .  | 134*            | 130†          | 114             |
| Average Weekly Wages . . . . .   | 105.9*          | 104.3†        | 100.6           |
| Cost of Living . . . . .         | 106.4*          | 105.9         | 102.1           |
| Real Wages . . . . .             | 99.5*           | 98.5†         | 98.5            |
| Unemployment . . . . .           | 96*             | 97            | 93              |
| Index of Labor Welfare . . . . . | 98.9*           | 97.5          | 98.3            |

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# Books, Films, Drama

## Contribution to Martyrology

*Joseph Conrad and His Circle.* By Jessie Conrad. E. P. Dutton and Company. \$3.75.

POOR Conrad gets the worst of it in this book, and he seems to be getting the worst of it in the reviews. The picture of him that emerges must be described candidly as that of a peculiarly flagrant and unappetizing bounder. On the one hand, he is full of an oleaginous politeness for company use, with exaggerated Oriental bowings and scrapings, and on the other hand, he tramples on toes in a truly berserker manner at the domestic hearth. There are scenes that are almost too painful to be transferred to these humane pages. The faithful wife, doubly crippled by gravity and trauma, is subjected to gross insults, and well-intending friends and admirers are affronted in a fashion that would have almost shamed the late Huey Long. One gets the impression that, despite the exhilaration supposed to go with communion with a genius, Mrs. Conrad was intensely uncomfortable with this one.

Nevertheless, I venture to surmise that Pan Korzeniowski was really a far more amiable and decent fellow than he here appears. I do not, of course, accuse his widow of libeling him deliberately, though many other literary widows have shown her, of late, the way. I simply accuse her of being temperamentally unfitted to bear the necessary small afflictions of symbiosis with a man of Conrad's sort. She is only too obviously one of those earnest but unhappy females who suffer from an incurable St. Stephen complex, and have an eye always on the lions. With her husband dead eleven long years, she still apparently thinks of herself as a Christian martyr, and of her life with him as a trial and a sacrifice, made endurable only by her almost angelic capacity to suffer. There is endless news of what she put into the pot of marriage, but hardly a hint of what she got out of it. It was all devotion on her part—devotion relentless and unadulterated, and sometimes almost amounting to immolation.

Well, if she is such a martyr today, then she must have been the same in the days when Conrad still walked the earth—and it is surely no news that life with a martyr tends to make even the most placid of men bust into an occasional fit of howling. Conrad, of course, was not a model of placidity. He came out of his murky Slavic swamps with a bundle of traits and habits of mind that were completely and incurably un-English, and he lived all his writing years a stranger in a strange land, trying desperately to bend a foreign tongue to the high uses of his imagination. He made some friends and acquaintances, but many of them, by Mrs. Conrad's own showing, were only nuisances. Somewhat casually, he married a wife, but her sole talents, in so far as the record reveals, were for culinary science and martyrdom. Also somewhat casually, he had two sons, but the elder seems to have been mainly a grief to him, and he was dead before the younger grew up.

Try to imagine a day in the life of such a man. A hard job of work is on his hands, there is not much money in his pocket, the house leaks rain and has no bathroom, his gout is torturing him, and his wife has a dislocated knee-cap and is hobbling on a cane. Slaving away in his dismal workroom, engaged upon the tedious tracking down of unfamiliar and irrational words, he suddenly feels the need of nourishment, and calls for a rasher of ham and eggs. It comes in due course, concocted heroically by his ever-faithful partner—but with it come all the depressing evidences of her martyrdom. He is not only getting the ham and eggs he called for; he is also getting a pointed reminder of what it cost her to concoct them.

Is it any wonder that, on occasion, he forgot his native elegance, and neglected to thank and praise her? Is it any wonder that he sometimes went so far as to hint delicately that her sufferings were perhaps somewhat magnified subjectively—that his gout actually hurt much more than her knee, and was made worse by the signs of her sacrifice?

Such questions naturally suggest themselves, and if adverting to them is disagreeable to Mrs. Conrad she has only herself to blame. No one dictated her book: she wrote it according to her own ideas, openly expressed on every page. No one even asked her to write it: she undertook the business on her own motion. Obviously eager to attract whatever notice goes with being the widow of so extraordinary a man, she must also take the consequences that go with it. In herself she is nothing save a diligent housekeeper, somewhat disdainful of her job; no one would pay any attention to her if she were not Mrs. Joseph Conrad. Nowhere does she show anything reasonably describable as an adequate understanding of her husband's greatness or of the cruel difficulties that he grappled with. She writes like a somewhat bright schoolmarm. If she were a shade or two brighter she might realize that it is a much easier feat to make an omelette, even with a bandaged knee, than it is to sit in a lonely room trying to fashion the enormously complex and delicate fabric of a "Victory," with savage stabs of gout for company, and periodical visits from a self-pitying woman.

H. L. MENCKEN

## The Wicked State

*Our Enemy, the State.* By Albert Jay Nock. William Morrow and Company. \$2.25.

THE identity of the American state with the British merchant state is clearly demonstrated by Mr. Nock, who reminds us that we actually have had more years of colonial experience than of the federal Constitution. Not any of the colonial states were democracies, and all primarily served the interests of property. The federal Constitution, though it embraced the then modern concept of human rights, attributed to man because of his relations with Divine Providence, did not in fact establish them, and the state as we know it today is merely the colonial state and the British merchant state under another cloak. This state, as Mr. Nock's title declares, is the enemy. And he proceeds to make a vigorous attack on it, in the course of which he sets down many important truths and much valuable historical information. The truths and the information are more likely to enrich the reader than the attack on the abstract idea of the state. For Mr. Nock personifies the state, and also nature, in a manner which no doubt expresses certain concepts which are clear in his mind but which few readers will share. Thus he asserts that "Nature reckes nothing of intentions, good or bad; the one thing she will not tolerate is disorder, and she is very particular about getting her full pay for any attempt to create disorder." Obviously Mr. Nock has an idea of Nature, with a capital N, abhorring the state because it challenges an inviolable moral law. There is an aroma of courtly antiquity in such a statement, as delightful as it is unconvincing. Similarly, the state will not admit of personification in present-day thought. Many readers will readily accept Mr. Nock's thesis that "the positive testimony of history is that the state invariably had its origin in conquest and confiscation." They will continue to agree that "moreover, the sole invariable characteristic of the state is the economic exploitation of one class by another." The state, in other words, is an instrument used by the governors to subject the

governed. However, it is not the instrument which is the fundamental problem but that there should be masters and servants. Obviously, if the sole characteristic of the state is the economic exploitation of one class by another, a state without class and class exploitation would not be the enemy. But Mr. Nock refused to follow the lure of this logic. He hates the state, any state, all states. And because there never has been a state without class exploitation he insists that there never will be one. "A proletarian state," he asserts, "would merely, like the merchant state, shift the incidence of exploitation, and there is no historic ground for the presumption that a collectivist state would be in any essential respect unlike its predecessors."

Mr. Nock, however, does draw a distinction between the state and government, government being the protection of liberty and security, and its intervention being only negative. One wishes he might have developed this conception, and demonstrated how government might protect the individual in the present era of concentrated economic power without becoming the very thing which Mr. Nock considers impossible, the classless state. The satisfaction of reading this book is great, though it fails in extending its thesis to prevailing economic conditions and will hardly deter the exploited from seeking to wrest the state from their masters. It is excellent prose, as all who read the *Freeman* well know, and Mr. Nock has interspersed some delicious footnotes in which he makes arresting comments on the world of today. One might wish mischievously that the Liberty League and the Republican National Committee would buy up many editions of the book for distribution, under the misapprehension that a distinguished writer had supplied them a treatise against Mr. Roosevelt and the trends of the New Deal. Most Americans would benefit from more knowledge of the origins of their institutions.

RAYMOND GRAM SWING

## Late Flowering

*Invisible Landscapes.* By Edgar Lee Masters. The Macmillan Company. \$2.

JUDGED as poetry and not as sociology or any other variety of doctrine, this is Mr. Masters's finest book. In fact, it can without great injustice be said to be his first book of poetry. The best pieces in it have a lyrical quality which he has achieved hitherto in only a few scattered lines, and even those passages which are not designed to sing manifest a grace and sureness of diction whose absence has marred much of his previous work. Not only has he learned to write with ease in rhyme, but his blank verse is supple and fluent, and his free cadences have that progression which arises from an intimate relation with the thought. Lacking the sustained brilliance of individual image and line to be found in first-rate poetry, this verse derives its merit from the richness and the grave music of the poem taken in its entirety.

Along with the late flowering of the lyrical gift, and perhaps in part as its cause, these poems breathe a serenity of mind. The crusty old fighter has found peace in nature and in contemplation of the past of the race. To put it in the language of Santayana, whom he appears to have been reading, Mr. Masters has rested his gaze upon the realm of matter and the realm of essence, and has withdrawn it from the more uncertain and troubled regions between them, the realms of spirit and of truth.

Such poems as Beethoven's Ninth Symphony and the King Cobra, Hymn to Nature, Hymn to Earth, and Dumb Region of the Breast celebrate the emergence of life and mind from that unconscious and less-organized state of substance which

we call matter. If they were probed by the metaphysician with a very sharp scalpel, they might not be found altogether consistent, but their general philosophical attitude is akin to that of Santayana and Whitehead rather than to the village-atheist naturalism of Haeckel and Ingersoll which, from some of his previous utterances, one might have attributed to Mr. Masters. They show a skilful blending of direct poetical observation with broad scientific knowledge and philosophical reflection. Mr. Masters says, with Keats, of each creature, "See, its eyes are bright with a purpose," and he presents with imaginative insight the stirrings of this purpose as it impels variously the king cobra and the bee.

Except when some flower or beast momentarily catches the writer's eye, this is poetry of the background. Human affairs have become remote, hopelessly beyond control, and rather unreal. The "invisible landscapes" in which the poet dwells are peopled by ghosts of heroes and humble men, bereft of the harshness and contradictions of their embodied selves and distorted to fit into the patterns of legend by the idealizing imagination of man, who is bent on reading into history a neater significance than it possesses. No one knows better than Mr. Masters the ugliness and the misery to be found in the "seven cities of America" when seen at close range, but contemplated in the haze of distance they assume a tragic beauty.

I am not sure that Mr. Masters has found the most desirable type of serenity: there is much weariness in it, an undertone of defeat, and a resignation which to younger men will seem premature. Philosophic naturalism has perhaps served him, as it has served many others of his generation, as an anodyne. The state of mind which this volume reveals may be that to which the old-fashioned liberalism and individualism for which he stands must today inevitably lead a man who is both sensitive and courageous.

Mr. Masters will probably continue to be remembered chiefly for his Spoon River books, which despite their stylistic flaws and crudities of perception had the stuff of life in them. "Invisible Landscapes" is nevertheless a memorable volume.

PHILIP BLAIR RICE

## Labor and the Government

*Labor Relations Boards.* By Lewis L. Lorwin and Arthur Wubnig. The Brookings Institution. \$3.

WHATEVER may be said of the National Industrial Recovery Act as an initial effort at economic planning, this study of the work of the labor boards set up under the act makes it plain that there was no plan or policy for governing the relations of employees and employers under the codes. This is all the more surprising since Congress had already provided a detailed and workable plan of dealing with labor relations on the railroads in the Railway Labor Act.

True, Section 7-a of the National Industrial Recovery Act purported to establish the right to organize and bargain collectively. But if this right was to be made real for the employees, it was necessary to impose corresponding duties and obligations on the employers. The section did say that workers were to be free from the interference of employers with respect to matters of organization, but aside from this general statement no obligations were imposed on employers to bargain collectively or to do anything in particular to arrive at a collective bargain. Whether by intention or not, the adjustment of the relations of employers and employees was left to "natural forces," and it was not long after the National Recovery Administration got under way that these forces broke into open conflicts, and a wave of strikes swept the country, threatening the whole recovery program.

Faced with this threat, the National Recovery Administration had to do something, and the unanimous answer of the members of the Industrial Advisory Board and the Labor Advisory Board, after jointly deliberating on the problem, was that another board should be created. Again no plan, policies, or methods of dealing with labor disputes were provided. "The board will consider, adjust, and settle differences that may arise through differing interpretations of the President's reemployment agreement," said the announcement from the White House. But whether it was to act as a court with power to make interpretations that were binding, or whether it was to mediate, conciliate, arbitrate, or otherwise handle labor disputes and strikes was not mentioned. No duties were imposed either on employees or on employers with respect to procedures they must follow in bargaining or in settling their disputes, or with respect to participating in proceedings before the board, as is done in the Railway Labor Act. No principles or methods were laid down for the guidance of the board either in taking jurisdiction over various types of labor disputes or in rendering decisions. And nothing was said about obeying decisions.

The history of the National Labor Board and its successor, the National Labor Relations Board, as well as of the special boards set up for the steel, coal, textile, automobile, petroleum, and other industries, is told in detail with accuracy and insight by Lorwin and Wubnig. The record is full and complete, and many unknown details are brought to light which serve to explain events hitherto obscure. But the authors eschew any attempt to pass judgment "concerning the wisdom of Section 7-a," and this notion of impartiality to some extent defeats their expressed purpose to arrive at an objective appraisal of the records of the labor boards.

Obviously a board which questions the wisdom of the law that it administers cannot operate properly. The bipartisan composition of the original National Labor Board, coupled with the lack of policies for its guidance, made it impossible for that board to assume the wisdom of Section 7-a. As a result it often mediated and compromised the law as well as disputes that were properly subject to mediation and compromise. The record of the Automobile Board can be explained only on the assumption that it questioned the wisdom of Section 7-a, and therefore sought to establish principles and agencies for governing labor relations that were in conflict with Section 7-a as interpreted by the other boards after Congress passed Resolution 44 defining somewhat the authority of the boards.

Had the authors recognized that the wisdom of a law of Congress cannot be questioned in its administration, then their appraisal might have been more useful. As it is, they note that the National Labor Relations Board under Garrison and Biddle was administratively more efficient than the National Labor Board under Senator Wagner. But they ascribe the improvement to the National Labor Relations Board's more fully disengaging itself from mediational activities than did the National Labor Board. If Garrison's and Biddle's board did less mediation, it was because they saw the impropriety of mediating a law, and the resolution and executive orders under which they worked made it clear that they must assume the wisdom of Section 7-a in all their proceedings. The Petroleum Board from its creation in January, 1934, acted on this assumption, and the other industry boards established after Congress had passed its clarifying resolution acted in the same manner and reached the same conclusions as the National Labor Relations Board.

Only the Automobile Board was an exception. And because of the authors' notion of impartiality concerning the wisdom of Section 7-a, the significance of the contrast between the Automobile Board and the other boards is overlooked. The record is fully and accurately described but there is no real explanation.

Similarly the concluding appraisal of the authors is that "the work of the labor-relations boards must be set down as a gain to American experience in dealing with the problems of industrial relations." But the reasons they give for this conclusion, such as the clarifying of the ideas underlying the processes of collective bargaining, are contributions of those boards which assumed the wisdom of Section 7-a, and not of the Automobile Board or of the National Labor Board as originally constituted. And had the original board from the beginning assumed the wisdom of the law it was to administer, it may well be that its decisions laying down principles would have been more readily accepted than they were when made later by the Garrison and Biddle boards.

WILLIAM M. LEISERSON

## Painter into Novelist

*South.* By Frederick Wight. Farrar and Rinehart. \$3.

IN reading this book it must be borne in mind that Mr. Wight is a painter first of all—a circumstance that accounts for both his virtues and his defects as a novelist. He is excellent when he is describing the world of the senses—in terms appealing to a painter's imagination. But while he goes farther than most painters, while he is keenly alive to the rich complex world of human behavior that lies beneath the world of the senses, he never goes as far as a novelist ought to go into his material—because of a curious detachment that renders him impervious to its deeper significance. It is the detachment of a painter for whom good and evil, sorrow and joy, the trivial and the heroic, have an equal importance in terms only of their contribution to the importance of his work.

Detachment of this kind, in literature, leads to preciosity; and preciosity, in the kind of literature that Mr. Wight is apparently trying to write, is sadly out of place. For into these 634 pages he has crammed the very stuff of the novel at its most heroic: problems individual and social, human dramas played out against the conflicting forces of an age.

Mr. Wight takes us into the very heart of these forces (nowhere in America perhaps is the contrast between them so strongly emphasized as in the South): he introduces us to a pleasure-loving leisure class; he shows us the destitution of Negroes and poor whites. He gives us a strike, a dismal parade of workers, finally a flood which renders more hopeless than ever the condition of a reduced and groping mass of people. Opposed to these scenes of squalor, struggle, and panic is a running counterpoint of fashionable drinking parties, haphazard love-making, brilliant, idle talk—all the nervous, frothy atmosphere of a culture in decline. Yet Mr. Wight himself seems strangely blind to the significance of these contradictions; at no point does he make us aware of a social structure on the verge of collapse. His treatment of a vital subject has given it an extraordinarily feeble and incidental air. And, one might reasonably inquire, incidental to what?—since its effect upon the individual lives of the characters is nowhere determined. One is forced to conclude that he has used his social panorama in much the same fashion as a painter might—as background having a technical rather than dramatic reference to his central figures, and significant only of those laws and relations upon which the entire composition depends.

For a painter such detachment as Mr. Wight possesses is invaluable: his argument is primarily one of form; and everything he sees must be subordinated to it. The detachment of a novelist, however, springs from a vastly different source. He may view, with an impartial eye, all the varieties of human experience, but only after he has submitted them, not to some individual problem of technique but to a universal criterion, a

conclusive point of view—to something, in short, which is larger than themselves. This Mr. Wight has signally failed to do; and the result is a book which, for all its structural unity, is somehow strangely disorganized; and which, for all its implicit drama and insight into human behavior, is somehow lifeless and unimportant.

HELEN NEVILLE

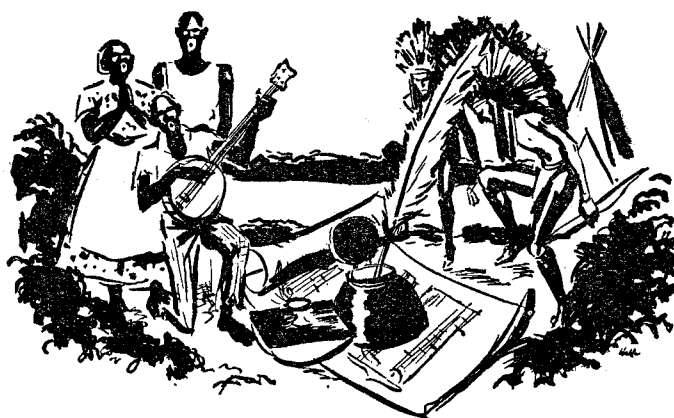
## Films

### Novel into Movie

SO much of the fascination of Julien Duvivier's "Maria Chapdelaine" (Cinéma de Paris) lies in his use of properties peculiar to the films that Louis Hémon's story of life in and around Peribonka assumes an importance secondary to the manner in which it is told. It is as if M. Duvivier, casting about for a narrative which he might endow with the wealth of aural and visual imagery at his command as a movie director, had chosen the Hémon novel because of its suitability for translation into films. In actual fact, of course, it may well have been the other way around; the novel itself may have inspired the director to make a film of it. Whatever the mechanics of inspiration, the resulting motion picture is more interesting because of its "filmic" than its narrative content.

The distinction can be illustrated by comparing the methods of novelist and director in presenting a single incident in the narrative. In the book the death of François Paradis, Maria's first love, is announced very simply by Eutrope Gagnon, a neighboring woodsman who himself loves Maria; he has heard the news from a trapper and comes to tell the Chapdelaine family. In its context in the novel this episode is assuredly effective. In the movie the Chapdelaines are sleighing into town for the New Year visits—the mood of high spirits is created in motion and sound by alternating shots of parallel incidents in different parts of the countryside and the noises of greetings and merriment—when the bells of a dog-sled are heard off-screen. The Chapdelaines stop their sleigh. Maria turns around, startled; has François Paradis returned from the lumber camp so early in the winter? He has, but someone else is driving his sled; his body is stretched out between the runners. No one dares look at Maria. As their sleigh resumes the journey into town, Père Chapdelaine at last breaks the silence: "He was a fine man." Such is only an outline of the sequence. Its filmic anatomy is much too complicated for description; for example, the musical accompaniment arranged by Jean Weiner is as important a part of the total effect as, say, the cutting is. Compared to the simplicity of the episode in the novel, the presentation in the film may seem over-elaborate. But the director is merely making partial use of the complex of resources which the cinema affords. They are resources which the literary forms neither possess nor have need of, and to the degree that one considers these resources worth using one likes or dislikes the movies. Had he followed the technique of Hémon literally, Duvivier would have made a bad film. By directing officially rather than officially (Duvivier wrote his own scenario), he has made a good one.

"Maria Chapdelaine" is not, however, without faults. Its chief defect is the use of the Dunning process. Outdoor long shots of the actors are too often followed by close-ups in the studio, with the settings reeling off in the background. The difference in lighting is apparent even to the casual observer, and this mixture of artificiality with naturalism is always distasteful. The quality of the acting is uniformly high. Not only are the principals, especially Madeleine Renaud as Maria, André Bacque and Suzanne Despres as the father and mother,



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and Daniel Mendaille as the priest, first-rate performers, but the casting of the minor roles—the two children, the pianotuner and his sons, the organist, the healer—is remarkably well done; each somehow achieves individuality.

"William Tell" (Fifty-fifth Street Playhouse) fails by its use of too many of the resources of the film. It is essentially a silent film and might have succeeded within the limitations of that genre. Its German makers were apparently schooled in the post-war cinema which produced pictures like "Siegfried" and "Faust," whose chief virtue was a pictorial attractiveness. By the addition of sound "William Tell" becomes one of the most painful pictures of the season. The actors are all obviously German and they deliver their lines in English they seem to understand none too well. Since the sound is used only for dialogue, and since the dialogue is so bad, it would have made little difference to the picture and a great difference to the audience to have omitted the sound-track altogether. Neither the self-assurance of Conrad Veidt in the role of Gessler nor the beautifully designed costumes are of any avail.

"Red Salute" (Rivoli) makes slick use of the story of Barabara Stanwyck's heart-throbs in the United States and Mexico to prove that all radicals are aliens. The picture is muddled to the point of hopelessness and is obviously designed for the stupid, but this makes it none the less dangerous. The caliber of its ideological content is typified by General Van Allen's remark to Arner, the radical student, whom his daughter had invited to dinner: "I don't see why you like squab. Squab is a capitalistic dish." As a harbinger of films to come, "Red Salute" is ominous.

ROBERT GIROUX

## Drama

### A Real Shrew Really Tamed

AT the Guild Theater Mr. Alfred Lunt is taming Miss Lynn Fontanne in expert and exhilarating fashion. The play is gentle Shakespeare's most ungentle farce, and when the irresistible Katherine meets the immovable Petruccio, hell breaks loose in Padua. By comparison the late unpleasantness between Guelphs and Ghibellines was a mere difference of opinion and it is doubtful if the last invasion of the Lombards was quite so disrupting.

It is my misfortune never to have seen Otis Skinner and Ada Rehan engage in this particular fracas. I did, however, once observe the gallant Sothorn tenderly correcting the saintly Marlowe (whose acidity was never more than Ph.6.8.); and those who, like me, got their first idea of the play's possibilities from such decorous exhibitions have some lively shocks in store for them. Miss Fontanne is a Katherine who hides a few links of sausage in the bosom of her wedding gown, and Mr. Lunt is a Petruccio who can, and does, give his bride a kick in the pants. To be sure, he also carries the traditional horsewhip, but such gentle persuaders are little necessary to a man who can squeeze the wind out of his wife with one arm or sit on her stomach when the occasion seems to call for something of the sort.

The Guild is not, of course, the first producing organization to see in "The Taming of the Shrew" its knock-about possibilities. A few years ago Mary Ellis and Basil Sidney gave a rousing performance in the same play, but their production as a whole was a bit skimpy and it has remained for the Guild not only to throw to the winds all academic solemnity but also to go the limit so far as the decoration and other incidentals are concerned. When Mr. Lunt and Miss Fontanne are not

busy with the principal business of the evening, the stage is kept in lively tumult with incidental activities of every sort. There are acrobats, jugglers, two splendid prop horses of the highest mettle, and, for serving men, more dwarfs than the entire House of Morgan could hold on its assembled laps. The result, as I previously indicated, is distinctly exhilarating.

Probably the acting honors of the evening go to Mr. Lunt, who, to be sure, has the fattest part. Still, it is no easy task which is set him. For two hours and a half he must mistreat a handsome lady abominably without losing the sympathy of the audience, and he manages the business by somehow giving the impression that he is high-spirited and desperate rather than merely brutal and that, if it does not exactly hurt him more than it does his victim, it is at least all for her own good. Miss Fontanne makes the most of her slighter opportunities and plays the grand transformation scene in which, at her husband's request, the sun becomes the moon and then the sun again with a fine sense of comedy. There is something grim about her acquiescence which suggests that though Kate is no longer cursed there will be moments in the future when her *eppur si muove* will not be sotto voce. As the befuddled spectator, Christopher Sly, Richard Whorf deserves more than a word of praise for his antics. His comment from the box, "'Tis a very excellent piece of work: would 'twere done," is one which, at other times, dramatic critics have often made for themselves, but the second half of it has seldom been less appropriate than on this occasion.

"Othello," at the Ethel Barrymore Theater, is another in the extensive series of Shakespearean productions which various managers have scheduled for this season. It is a sound and intelligent presentation of a great play, which held me as any sound and intelligent performance would be bound to do, but Philip Merivale is not a great Othello and Gladys Cooper is not a great Desdemona. Mr. Merivale is striking in appearance and dignified in bearing. There are no glaring or positive blemishes in his performance but something is lacking in each of the highest moments: the despair and fury of the climaxes is not there, and the last scene of all—surely one of the swiftest and, theatrically, one of the most effective in all literature—seems unaccountably tame. Miss Cooper's enunciation is beautifully clear and not a word is lost, but she also seems never to be moved to the depths. As Iago, Kenneth McKenna is similarly deficient in fire, and Alexandra Carlisle's Amelia seemed quite the best performance of the evening.

John Van Druten's "Most of the Game" (Cort Theater) is better designed than several of its author's recent efforts to exhibit at their best his particular talents without calling for others which he does not have. The plot is trifling even for a "light comedy," but the characters are amusingly individualized and the dialogue, if never exactly hilarious, ripples along with pleasing grace. Mr. Van Druten is, indeed, a master of what I should like to call short-scale characterization. All the persons in this play belong roughly to the same class and the same tradition. They are enough alike to move in the same set, and the sheep are divided from the goats by a line so little conspicuous that the husband, for example, has to be married to the wife for some years before he is able to perceive that she is bogus while he is genuine. Indeed, Mr. Van Druten seems unable, even when he tries, to represent convincingly any person whose character and behavior do not sufficiently approximate those of the well-bred Englishman of the upper class to be acceptable in his circle. Yet his people are individualized and there are few other contemporary writers who could make as acceptable a play as he has made out of the differences between them. "Most of the Game" is extremely mild as well as essentially conventional, but it is a very pretty little exercise in low-key contrasts.

JOSEPH WOOD KRUTCH